

Toll on U.S. Frigate Reaches At Least 37 Dead, 21 Injured

The Associated Press WASHINGTON — The Pentagon on Tuesday raised to 37 the death toll in the missile attack on the U.S. guided-missile frigate Stark.

The Pentagon said 22 of the dead had been identified. Commander Robert Prucha said he did not know whether the remaining 15 were swept overboard or were still in the wreckage, but they were presumed dead.

"I think we should understand that free transit" on the high seas "is absolutely essential to the vital interests of the United States and the free world," Mr. Baker said in a U.S. television interview.

Weinberger Calls Attack A 'Single, Horrible Error'

The Associated Press WASHINGTON — Defense Secretary Caspar W. Weinberger said Tuesday he did not want to "second-guess" why the U.S. frigate Stark did not try to defend itself against the Iraqi attack in the Gulf that killed 37 sailors Sunday night.

"No Apparent Explanation" Richard Halloran of The New York Times reported from Washington. Senior military officers were unable to explain immediately why the Stark did not defend itself, even though the missile's launching had been detected on radar.

The State Department spokesman, Charles E. Redman, said the United States would continue discussions with Kuwait about putting some of that country's tankers under U.S. registry for protection.

The attack illustrates the dangers of superpower involvement in the Gulf. Page 2.

don't want to second-guess the captain from 7,000 miles away. "The ship's perfectly capable of defending itself," he said earlier. He rejected suggestions that the U.S. Navy should be assigning larger ships to the waterway because of Iraqi and Iranian attacks on commercial vessels.

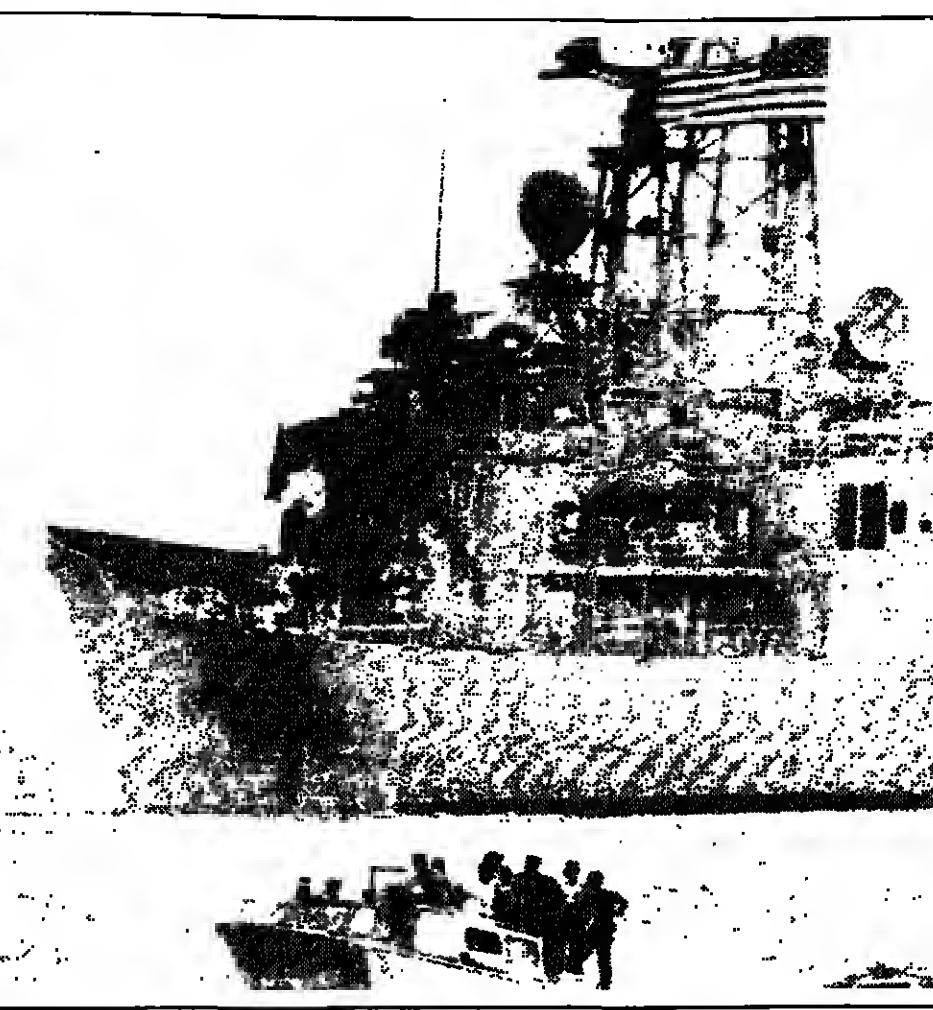
The Stark, equipped with the advanced Phalanx defensive system was pitted against a French-built Mirage fighter armed with an Exocet missile, also made in France. Argentine planes carrying Exocets sank the British destroyer Sheffield and a cargo ship in the war over the Falkland Islands in 1982.

Soviet Urges Gulf Talks

The Soviet Union condemned the U.S. naval presence in the Gulf on Tuesday but called for urgent talks to prevent more attacks on shipping such as the attack on the USS Stark, United Press International reported from Moscow.



A launch from the U.S. frigate Stark warned off boats as it was towed to Bahrain on Tuesday. Rear Admiral Harold J. Berenson, above, commander of U.S. naval forces in the Middle East, attacked at a press conference in Bahrain.



Waldheim Concedes He Erred

Regrets Silence, But Still Denies WWII Charges

The Associated Press VIENNA — President Kurt Waldheim, who is barred from visiting the United States because of his World War II activities, conceded Tuesday that he had erred in refusing to discuss his past openly.

U.S. Drops 3-Year Fraud Investigation Of General Dynamics' Navy Contracts

Washington Post Service WASHINGTON — The Justice Department announced Tuesday that it has closed a three-year investigation of General Dynamics Corp. after finding insufficient evidence that the company defrauded the government in building nuclear attack submarines.

The decision marks the second time the department has declined to prosecute General Dynamics, which last year received \$8 billion in military contracts. A three-year investigation of the cost overruns of submarines was closed in 1981 but reopened in 1984 after new allegations were made by P. Takis Veliotis, former head of the company's Electric Boat division in Groton, Connecticut.

Australia Orders Libya Mission Shut

Compiled by Our Staff From Dispatches CANBERRA, Australia — Prime Minister Bob Hawke ordered Libya to close its embassy here Tuesday, asserting that its staff had engaged in unspecified "clandestine activity" in Australia and the South Pacific.

Australia Orders Libya Mission Shut

Mr. Waldheim, who was an officer of a German Army unit implicated in atrocities in the Balkans, also attempted to explain what he had meant when he said he was only doing his duty during the war. The phrase set off an outcry.

Klosk French Director Wins at Cannes

CANNES — A French director, Maurice Pialat, won the Golden Palm, the top prize at the Cannes International Film Festival, on Tuesday night.



Maurice Pialat, accepting the top prize at Cannes, responds to boos from the audience.

Governor Controls Fiji, Plans Vote

United Press International SUVA, Fiji — The governor-general of Fiji, Sir Penaia Ganilau, took temporary control of the government Tuesday and said he would call elections. Fiji had been under military rule since a coup Thursday.

The colonel, third in command of the army, made no official statement. His troops remained in control of Suva, the capital, and were deployed in force around the Parliament building.



Thatcher Presents Campaign Platform

Prime Minister Margaret Thatcher presented the platform for her re-election campaign Tuesday at the Conservative Party's headquarters in London.

Computer Vandals Program Long Distance Havoc

By Mark McCain New York Times Service NEW YORK — A new breed of vandals, working within the vast network of U.S. computer "bulletin boards," are devising sophisticated software programs that erase and scramble the computer files of unsuspecting users.

that alerts him in suspicious activity within his personal computer. Like hundreds of other computer enthusiasts across the country, Mr. Greenberg operates a computer bulletin board as a public service.

clearing house for hundreds of free "public domain" software programs. People connect their computers into the bulletin boards, via telephone-hookup devices called modems, both to donate programs and make copies of programs already posted on the boards.

Citicorp Expects Loss

Citicorp, the largest U.S. banking group, said Tuesday that it would add \$3 billion to its reserve fund for possible loan losses, which would cause a net loss of about \$2.5 billion in the second quarter and \$1 billion for the year. Page 9.

GENERAL NEWS ■ Election over lower U.S. air fares rapidly turned to complaints that they often are unavailable. Page 3.

Dow close: DOWN 37.38 The dollar in New York: DM £ Yen FF L.7705 1.687 139.525 5.925

WORLD BRIEFS

Gorbachev Makes Proposal on Arms

MOSCOW (Reuters) — Mikhail S. Gorbachev, the Soviet leader, said Tuesday that Moscow would agree to remove all its medium-range missiles from Europe and Asia if the United States abandoned its nuclear capability in Japan, South Korea and the Philippines.

Barbie Telex on Jews Called Genuine

LYON (AFP) — A document linking Klaus Barbie to a Nazi operation to deport Jewish children to extermination camps during World War II is authentic, an expert witness said here Tuesday during the former SS captain's trial for crimes against humanity.

In Senate, a Wealth of Financial Data

WASHINGTON (AP) — Senator John D. Rockefeller 4th emerged once again Tuesday as a leading member of the Senate's well-populated millionaire club, along with other heirs of fortune as John Heinz, Republican of Pennsylvania, and John C. Danforth, Republican of Missouri.

Czechoslovak Escapes on Hang Glider

MUNICH (Reuters) — A Czechoslovak man in a homemade motorized hang glider evaded Czechoslovak Air Force jets Monday night and flew to West Germany, where he sought political asylum, Bavarian border police said Tuesday.

Soviet Rocket Accident Kills Pole

WARSAW (AP) — A rocket that apparently fell by accident from a Soviet warplane exploded and destroyed a farm near the military center of Legnica in western Poland, killing one man and injuring another, witnesses said Tuesday.

For the Record

Gary Hart asked the Federal Election Commission on Monday for U.S. matching funds for his aborted Democratic presidential bid. The former Colorado senator withdrew from the race May 8. The commission is expected to rule on the request late this month or early in June. (LAT)

TRAVEL UPDATE

Flight attendants at Spain's AVIACO airline turned down a pay offer Tuesday and maintained a call for a strike from Wednesday to Friday, a company spokesman said.

Correction

An item in Tuesday's People column gave an incorrect date for Charles Lindbergh's landing at Le Bourget Airport after his trans-Atlantic flight. The correct date is May 21, 1927.

AU PAIR: Legal Limits in U.S.

(Continued from Page 1) affecting the market for domestic help. The price of authorized help has risen to about \$300 a week in many big cities.

Papandreou Seeks Support

ATHENS — Prime Minister Andreas Papandreou sought a vote of confidence in his government from the Greek parliament on Tuesday, after opposition legislators called for an investigation into alleged financial scandals involving Socialist officials.

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Ex-State Dept. Aide Tells Panel How CIA Aided Nicaragua Rebels

By Dan Morgan and Walter Pincus Washington Post Service

WASHINGTON — A former State Department consultant who served as a contact between Lieutenant Colonel Oliver L. North and the Nicaraguan rebels described Tuesday how CIA personnel had played an active role in militarily assisting the rebels, known as contras, at a time when the agency was specifically banned by Congress from doing so.

Robert W. Owen, in his second day of testimony before the House and Senate committees investigating the Iran-contras affair, told how the Central Intelligence Agency had provided military maps, had helped locate a site for a clandestine air base in Costa Rica and had attempted to facilitate the transfer of munitions between contra factions.

The letter said the agency was giving orders about the handling of "lethal supplies." Dated Feb. 27, 1986, it was written at a time when the CIA's activities were sharply limited to providing only intelligence and communications support to the contras.

Since the affair became public in November, agency officials have maintained that they withdrew their assistance to the contras in October 1984 and subsequently kept a scrupulous distance from the private efforts to support the rebels while U.S. governmental assistance was prohibited.

The acting director of central intelligence, Robert M. Gates, said during his confirmation hearings before the Senate Select Committee on Intelligence in February that the agency had deliberately avoided knowledge of and involvement in privately financed efforts to resupply the contras. The White House subsequently withdrew his nomination.

In other disclosures Tuesday, Mr. Owen:

• Described several trips he had made to New York City to pick up cash, including one in the fall of 1985 when he received \$9,500 in \$100 bills from a man at a Chinese market who took the money out of his sock. Mr. Owen said he later turned over the cash, in a folded newspaper, to Richard V. Secord, a retired major general, at a Washington hotel.

• Reported that Colonel North had kept meticulous records of traveler's checks that he disbursed on behalf of the contras, but said he had no knowledge of what happened to the ledger in which this was done. A committee counsel said the ledger had not been located in the office used by Colonel North.

• Said he knew that Colonel North had given a total of \$30,000 to six to 10 contra leaders.

In response to a question from Senator Warren E. Rudman, Republican of New Hampshire, Mr. Owen denied a television report that he had told Sen. Hill, an American neoconservative captured in Nicaragua and later released, that he could expect a presidential pardon for his activities.

• Contra Chief to Testify Adolfo Calero Portocarrero, leader of the largest military force in the Nicaraguan resistance, defended his actions Tuesday in an opening statement prepared for the House and Senate investigating committees, United Press International reported.

"Yes, we received monies from foreign sources," said Mr. Calero, head of the Nicaraguan Democratic Force. "That was the only way to survive after the U.S. aid was cut off by Congress."

LIBYA: Mission Closed

(Continued from Page 1) lowered controversy over a visit last month by an aboriginal Australian to a meeting in Tripoli sponsored by the Libyan leader, Colonel Muammar Gaddafi.

The aborigine, a lawyer named Michael Mansell, said at the conference that he was seeking support to establish an aboriginal nation in Australia. Australian press reports said that Colonel Gaddafi has offered to provide financial support for an aboriginal revolution.

In recent weeks, Australian officials have said that Libya has provided funding and training to rebels in Papua New Guinea and to separatists in the French territory of New Caledonia. The officials also said that a group of trade unionists from the Solomon Islands had visited Tripoli.

Libya established ties with the South Pacific nation of Vanuatu last year, and officials there have said that Libya has offered foreign aid. About a dozen members of Vanuatu's governing party have visited Libya in the past few months.

Earlier this month, Foreign Minister Bill Hayden of Australia and Prime Minister David Lange of New Zealand held a hastily arranged meeting to discuss Libyan involvement in the region.

Diplomats at the Libyan People's Bureau in Canberra are also accredited to New Zealand. There is no permanent Libyan mission in Wellington. Mr. Lange said Tuesday that New Zealand did not intend to end the accreditation.

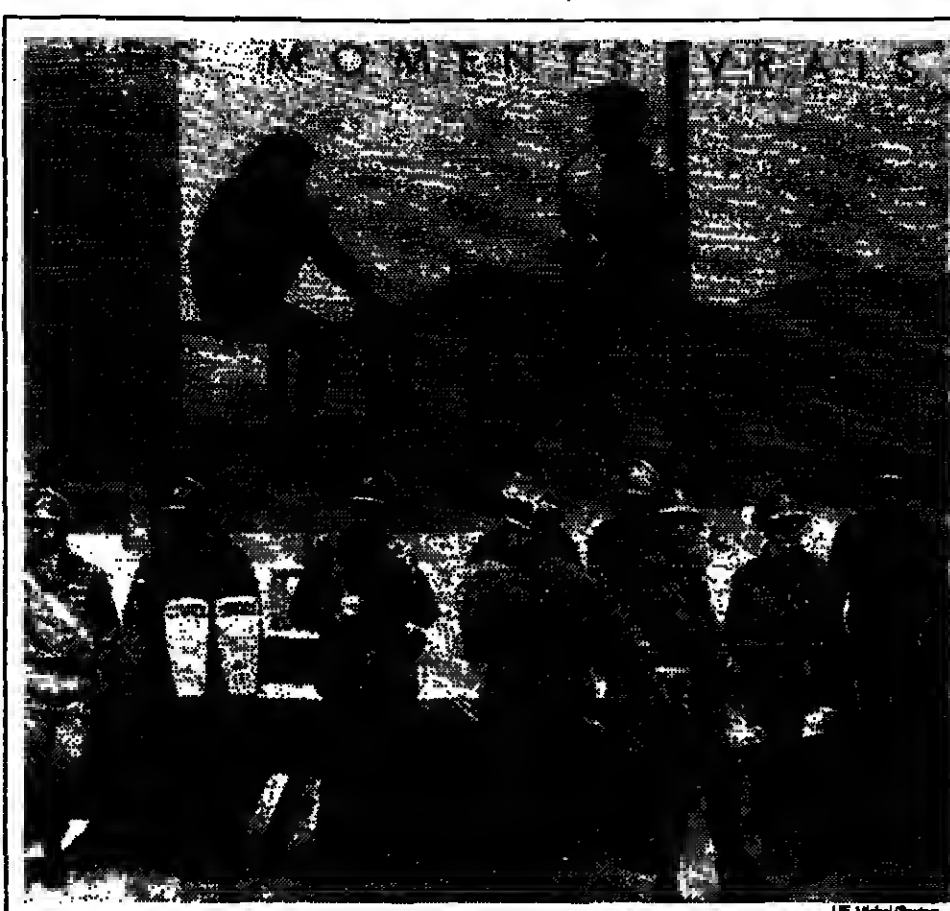
Other nations have curtailed or reduced Libya's diplomatic representation, usually asserting Libyan involvement in terrorism. The United States and Britain have no formal relations with Libya. (AP, Reuters)

Papandreou Seeks Support

ATHENS — Prime Minister Andreas Papandreou sought a vote of confidence in his government from the Greek parliament on Tuesday, after opposition legislators called for an investigation into alleged financial scandals involving Socialist officials.

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Police Await Farmers but Brussels Protest Is Peaceful

Riot police assembled Tuesday beneath a billboard in Brussels to prepare for a protest by more than 15,000 farmers from throughout Europe. The demonstration, which ended peacefully, opposed a plan by leaders of the European Community to limit EC agricultural spending during 1987-88.

For the Superpowers, a Dangerous Gulf

By Barry James International Herald Tribune

Iraq's attack on the USS Stark, using aircraft and missiles supplied by France, and an earlier Iranian attack on a Soviet freighter illustrate the bewildering complexity of the Gulf war and the danger of superpower involvement in the conflict.

The United States, France and the Soviet Union profess neutrality. All, however, have supplied weapons to Iran, directly or indirectly. Yet their policies have tended to favor Iraq, the underdog in terms of manpower and resources, which started the war six and a half years ago.

Neither the Soviet Union nor the United States have much cause to love the Iraqi regime of President Saddam Hussein.

In December, George P. Shultz, the U.S. secretary of state, criticized the Iraqis for sheltering Mohammed Abbas, the convicted mastermind of the hijacking of the Italian cruise ship Achille Lauro. For their part, the Soviet Union can point to the Hussein regime's

execution and persecution of Communist opponents. Nevertheless, an Iranian victory is something that neither superpower is willing to contemplate, since it would be likely to create a wave of Islamic fundamentalism that might engulf moderate Arab nations, subvert Moslem republics in the Soviet Union and strengthen anti-Soviet forces in Afghanistan.

While allowing allies such as Libya, Syria, North Korea and some East bloc countries to equip the Iraqis, the Soviet Union has become Iraq's biggest supplier of weapons. Without Moscow's help, Mr. Hussein's war effort would quickly collapse.

As for the United States, its naval presence in the Gulf appears directed at thwarting Iranian attempts to strangle Iraq economically. It was the fear of an Iranian victory, also, that led France to become Iraq's second biggest arms supplier.

In 1983, France leased five Super Etendard bombers to Iraq, along with sea-skimming Exocet missiles of the type that Argentina used to sink the British destroyer Sheffield in the 1982 war over the Falkland Islands.

The increasing scale of attacks on neutral ships caused both the United States and the Soviet Union to strengthen naval forces in the Gulf. Kuwait, desperate to keep its sea

lanes open, opened negotiations with Moscow and Washington earlier this year, to put most of its 22 tankers under American or Soviet flag, reasoning that this would assure them of superpower military protection. The Reagan administration reportedly is ready to move ahead on a request to take over 11 Kuwait tankers.

The Soviet Union supplied Kuwait with three of its own tankers, and in Moscow, the Foreign Ministry spokesman, Gennadi I. Gerasimov, warned that the vessels might "be escorted by warships if the Soviet side thinks it necessary."

Earlier this month, a Soviet freighter was hit and badly damaged by Iran in an apparent warning to Moscow not to become too closely involved on the side of Iraq and its Arab allies, particularly Kuwait.

After Iran installed Chinese anti-air missiles on the Strait of Hormuz, Casper W. Weinberger, the U.S. secretary of defense, ordered the U.S. Navy last month to increase its presence in the Gulf and extended the tour of the aircraft carrier Kitty Hawk. "It is vital that those shipping lanes remain open," he said.

Iran used the aircraft to blockade Iran's Kharg Island oil terminal, and Iran struck back with attacks on shipping to and from Iraq and its Arab neighbors and allies.

The Iraqis later gave back the Super Etendards, but continued to use about 20 French-built Mirage F-1EG fighter-bombers equipped with Exocets to attack Iranian cities and strategic targets.

It probably was one or more of these Mirages that attacked the Stark on Sunday, killing at least 37 crew members in what the Iraqis said "must have been due to confusion or mistake by the pilots."

It was not until Iran received anti-aircraft missiles and other equipment from the United States in exchange for payments to the Nicaraguan rebels that its air force was able to start turning back the Iraqi missile attacks. Iran also was reported to have received arms via its supposed enemy, Israel, and other Western countries, including France.

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DEFEND: 'Single, Horrible Error'

(Continued from Page 1) decide whether to fire at the missile after it had been launched.

In a Pentagon press briefing, Lieutenant General Richard A. Burpee of the air force, the operations officer for the Joint Chiefs of Staff, and Vice Admiral Henry C. Mustin, the navy's senior operations officer, said the Stark had tracked the plane by radar from Iraq, had twice sent radio warnings to the pilot, and had seen the missile launch on radar.

But more than 24 hours after the attack, the two senior officers said they knew little more about what had happened or how or why the plane had fired at the frigate.

In the account given by General Burpee and Admiral Mustin, radar operators aboard the Stark picked up an Iraqi warplane as it left the coast and flew south along the coast of Saudi Arabia.

The radar operators watched the plane come further south than they had seen an Iraqi plane venture before, then turn east and come toward the ship at an altitude of 5,000 feet (about 1,500 meters).

The ship twice transmitted standard warnings in English over an internationally recognized channel to the pilot, identifying itself as a U.S. warship.

The general and admiral said that the pilot did not acknowledge the warnings. They said they did not know whether he had received them.

About 11 or 12 miles from the ship, the Iraqi plane was seen on radar to launch a missile. It glided down to about nine feet above the water, streaked in and hit the Stark amidships on the left side and exploded with enough force to make a 10- to 15-foot hole.

The Iraqi plane was also spotted by U.S. Air Force AWACS, or airborne warning and control planes, that regularly patrol the northeast corner of Saudi Arabia from a base in that country.

The AWACS crew saw the plane return to Iraq after firing the missile.

The senior officers said that the missile may have hit berthing quarters where sailors were sleeping and started electrical fires, the most feared danger at sea, in the superstructure.

The account given by the senior officers was murky after that. They said that the Stark, along with six other U.S. warships in the Gulf, routinely has one-third of the crew on watch, with all weapon stations manned.

Admiral Mustin said that "in his morning report that morning, the captain had reported that all his weapons systems were operational."

There were three possibilities: • The Phalanx could have been turned off. • It could have been turned on, but not set on automatic, which would have required a specific order from a senior officer to have the system defend the ship against the missile. • It could have been on automatic. That would mean that it could have detected, tracked, and fired automatically, without any further crew action but did not do so because it failed to work properly.

The rules of engagement, which are orders from headquarters that tell a commanding officer when he can shoot, "were sufficient for him to use, whatever his judgment, on trying to determine whether there was hostile intent toward him," General Burpee said.

"It's his call," the general said, "and we certainly don't know what he was experiencing at that moment."

Admiral Mustin added: "We also know that the combat system of this ship is capable of dealing with this threat. And why it did not, we don't know."

Although the senior officers said that the Stark was in international waters and the United States was not at war with Iraq, they noted that two Iraqi attacks on other vessels had taken place Sunday about 60 miles (100 kilometers) to the north.

Over the nearly seven years of the Iran-Iraq war, about 200 attacks on shipping in the Gulf have been reported.

"At any given time," General

House Votes A Ban on Anti-Satellite Arms Tests

The Associated Press

WASHINGTON (AP) — The House of Representatives approved on Tuesday a Democratic-backed arms control proposal opposed by President Ronald Reagan, while in the Senate, Republicans blocked work on a military bill.

The Democratic-controlled House split generally along party lines. It voted, 229-188, to approve a new one-year ban on final tests of anti-satellite weapons. Congress, led by the House, has approved such a ban for the past two years over Mr. Reagan's objections.

In a statement last week, Mr. Reagan said the anti-satellite ban had hurt national security because, he asserted, the Soviet Union has a workable anti-satellite weapon.

The Senate, working on similar legislation, was scheduled to try Tuesday to end the Republican filibuster that has blocked consideration of its military budget bill.

The Democrats hold a 54-46 margin in the Senate. They need a three-fifths margin, or 60 votes, to invoke cloture and shut off the filibuster.

"I think the odds are against cloture winning," Senator Sam Nunn, Democrat of Georgia, said Monday.

Mr. Nunn, chairman of the Senate Armed Services Committee, is the chief author of the provisions that Republicans want dropped as a price for ending their filibuster.

His proposal would ban spending money for tests of the Strategic Defense Initiative that violate the narrow, traditional view of the 1972 anti-ballistic missile treaty.

Mr. Reagan has said he has the right to unilaterally move to a broader view of the treaty that would allow tests to proceed.

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DEFEND: 'Single, Horrible Error' (Continued from Page 1) decide whether to fire at the missile after it had been launched. In a Pentagon press briefing, Lieutenant General Richard A. Burpee of the air force, the operations officer for the Joint Chiefs of Staff, and Vice Admiral Henry C. Mustin, the navy's senior operations officer, said the Stark had tracked the plane by radar from Iraq, had twice sent radio warnings to the pilot, and had seen the missile launch on radar.

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Bargain Hunters Take to Skies

But Lowest U.S. Fares Can Be Elusive and Stir Complaints

By Martha M. Hamilton
Washington Post Service

WASHINGTON — The flight is hypothetical, but this is how it would look from the passenger's point of view.

Two weeks before the trip, the passenger calls the airline asking for the deep-discount fare advertised in that morning's newspaper. No seats are available at that price, she is told.

Two weeks later she learns from her seatmate that he is flying on a deep-discount ticket, purchased the day after the airline told her they were all gone. Of course, she is angry.

This is how it might look from the airline's point of view:

Two weeks before the flight, which goes to a popular destination during a busy time of the day, the plane is overbooked. The airline knows that a certain percentage of those who made reservations will not show up, so when the passenger calls they sell her a seat anyway.

The next day a basketball team, which had booked seats on the plane cancels and a certain number of seats become available, including two deep-discount fares. The second traveler hits the jackpot.

When Continental Airlines and Eastern Airlines, Texas Air subsidiaries, announced new deep-discount fares in January, all the other major U.S. airlines quickly followed. But consumer elation over the new, low fares rapidly turned to cynicism and complaints that the fares often were unavailable.

Whatever else its consequences may be, airline industry deregulation has produced lower air fares and created a new breed of flier — the bargain hunter. But bargains can be elusive, and consumers complain that four different calls to a carrier can produce four different fare quotations.

With the intensified competition that has followed deregulation, airlines are under greater pressure to sell seats. The result is an often confusing array of discounts.

On a single flight, seat prices in coach may vary dramatically. And while the customer with the deepest discount may be happy, passengers who paid higher fares may feel had.

For the airlines, selling seats is a delicate balancing act. On the one hand, a carrier wants to sell each seat for as much as possible. On the other hand, it does not want the plane to take off with empty seats.

Airlines use two major tools to fill as many seats as possible: discount fares and overbooking. Both practices have provoked consumer complaints. From the point of view of those who use the tools, however, they are often misunderstood.

According to American Airlines, 50 percent of its seats are available

at its deepest discount levels, either as ultimate supersaver fares (a discount of approximately 70 percent with 30-day advance purchase requirement and 50 percent refundability) or supersaver fares (a discount of approximately 30 percent with two-day advance purchase requirement — this becomes seven days as of May 21 — and no refund if the ticket is not used).

"As far as American Airlines is concerned, there is a significant amount of deep discount available to consumers," said Dennis McKaige, who is director of yield management for the airline. He explained that he is "the guy that

adjusts the number of seats that are available for sale on each of our flights."

Mr. McKaige is like the manager of a grocery produce department, selling a perishable product. Once the plane leaves the gate, an empty seat produces no more revenue than does a rotten bunch of bananas tossed in the dumpster. Before a produce manager will toss the bananas, however, he probably will mark them down in an attempt to avoid a total loss. Essentially, that is what the airlines do.

In addition to the deep discounts, the airline has a variety of other discounts with different requirements.

The other tool Mr. McKaige uses to fill flights is overbooking. Last year American Airlines had seven million passengers who were no-shows.

"Those were passengers who made reservations, who took one of the seats out of my inventory and said they were going to buy them," said Mr. McKaige. "Seven million did that and didn't show and didn't let us know. It's a big problem and therefore you have the birth of this nasty issue called overbooking."

Over sales of flights ranked fifth among the issues about which consumers complained to the U.S. Department of Transportation last month, American Airlines oversells

its flights by approximately 20 percent, according to Mr. McKaige. "I will sell a certain number of seats twice because I'm convinced, based on history, that a certain number of passengers are kidding me," he said.

Federal regulations require airlines to make amends to passengers denied boarding because of over sales. Passengers who involuntarily give up their seats may collect cash compensation. In recent years, however, airlines have become more adept at persuading passengers to give up their seats voluntarily and to accept ticket vouchers instead of cash.

The Department of Transportation has not yet responded to proposals to require disclosure of the percentage or numbers of discount fares available. American Airlines has proposed requiring airlines to disclose that and other information relating to the quality of service. Continental Airlines, which has been the target of many consumer complaints since it absorbed People Express and New York Air earlier this year, has made a similar proposal.

"We think there's a problem," said Christopher J. Witkowski, executive director of the Aviation Consumer Action Project. "The airlines are not delivering on the phone what they say they are in their advertising."

The group has proposed that airlines be required to offer deep-discount fares on a minimum of 10 percent of the seats or 10 seats on each flight or route for which they advertise the low fares.

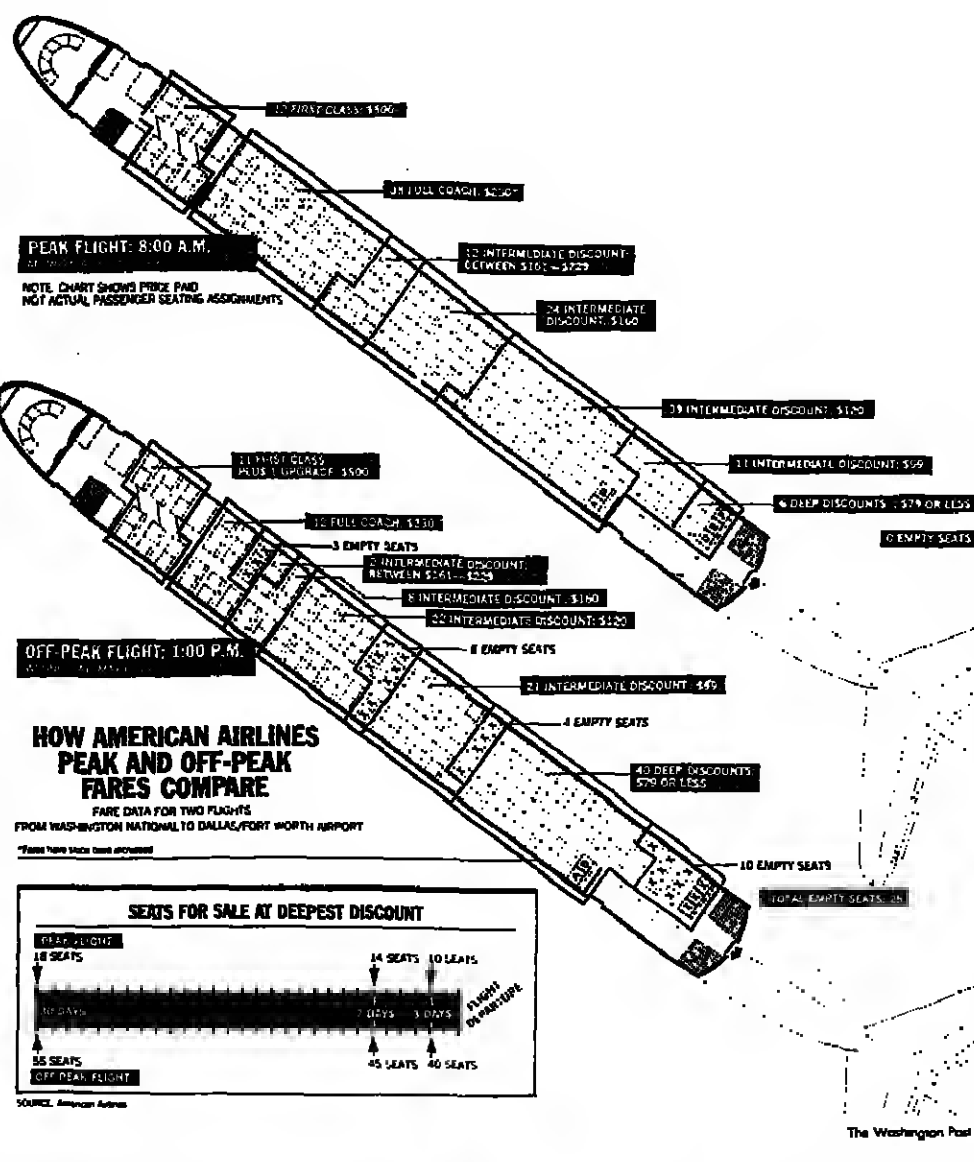
Robert Baker, director of inter-governmental and consumer affairs for the Department of Transportation, said the agency does not believe that the airlines have engaged in bait-and-switch in advertising the discount fares.

"What we look at is the overall promotion," he said. "We're not concerned that a flight on Sunday at 8 P.M. from St. Louis to Dallas has a certain number of discount seats on it."

Mr. Baker said the major airlines appear to offer from 30 percent to 50 percent of their seats at discount. "Around 75 percent of travelers use travel agents," he said. "All they have to do is scan the flights available to find a discount fare."

"Chances are, they'll find one," he added. "It may not be the day you want to go, it may be Saturday morning or Thursday afternoon."

If a passenger calls a carrier and asks it to find a low fare, if the passenger is not satisfied, "he's free to hang up and call another carrier," Mr. Baker said. "If consumers do that, the chances are you'll do well, but you have to shop."



U.S. Computer Network Is Expected To Mean More Air Safety, Less Delay

By Richard Witkin
New York Times Service

NEW YORK — The Federal Aviation Administration has begun a new era in air traffic control with a computer system designed to curb schedule delays and increase passenger safety.

Plans for the new system were drawn in October 1985 and programming of the computer began early last year.

The new equipment can provide, for the first time on a single screen, a radar display of every airplane from East Coast to West Coast that is flying under the jurisdiction of the agency's control system.

Traffic managers in the FAA's command center at its Washington headquarters can also see sections of airspace experiencing a crush of flights or threatened by one.

With greater precision than is possible now, they will be able to ease or stall traffic jams that overburden controllers by slowing or rerouting flights or by ordering longer waits between takeoffs.

By September, they expect to be able to predict at least two hours in advance when one of the 649 airspace sectors will be overburdened.

The new system will not produce maximum benefits until after the heavy summer air traffic abates. Traffic managers must become comfortable with the new equipment and even more sophisticated computer programs that have been ordered may not be available until September.

Aviation agency officials said that air safety would be enhanced by making sure controllers were not suddenly required to handle too many aircraft. Flight delays that ordinarily would result from re-routing planes or from delaying takeoffs could be offset by ordering planes to fly closer together between airports, when possible.

After directing the operation for several hours on Sunday, John G. Richardson, the acting manager of the headquarters control center, said the first day of operation had produced eye-opening results.

"Did we learn something?" he said. "It was unbelievable." The experience helped managers develop plans for re-routing planes past congested sectors and for lowering altitudes of some shorter flights.

In the last year, the persistent growth in air traffic has increasingly burdened the traffic control system. There has been a disturbing number of accidents, near-collisions and errors by controllers.

In the control room where the new display system will be active 16 hours a day, computerized radar data is fed to Washington headquarters from the agency's 20 regional centers, which manage traffic between airports.

The ability to display all controlled traffic in the nation on a single screen was likened by a top federal aviation official to the space-age advance that permits satellites in orbit to provide weather pictures of the entire nation. The weather displays are superimposed on the new traffic pictures to help air traffic managers decide how to alter air traffic routes to bypass bad weather.

What gives this new system such promise, aviation officials stress, is its enormous flexibility. A manager in Washington can use his entire screen to display all the controlled air traffic over the United States or focus on one of the 20 regional traffic-control zones into which the 48 contiguous states are divided.

A controller can look at one sector of a control area or a single airport. He can limit a display to planes with a single destination, or order a display of aircraft en route to the various airports in one city

Europeans Can Expect Cheaper Trips

International Herald Tribune

The kind of aggressive fare management adopted by airlines in the United States has not reached Europe — yet.

That is because most European airlines do not generally have the same kind of computer control that enables major American companies to monitor traffic flows and adjust tariffs flight by flight, industry sources said.

And in Europe, passengers seeking low fares are better served by the charter market, a relatively insignificant factor in the deregulated skies of the United States. More than half of air travelers in Europe last year flew with charter companies, several of which are subsidiaries of the major companies.

In order to keep their share of the North Atlantic route, European airlines go in for the same kind of free-for-all discounting as their American rivals, and most offer cheap standby fares. But in their home markets, discounting is more tightly controlled.

The European companies, long accustomed to sharing revenues and routes under bilateral government agreements, offer similar ranges of discounts, all of which involve special conditions such as advance booking and lack of flexibility.

"In Europe, there is no question of a free-for-all in the sense of U.S. deregulation, because the Europeans don't believe in destructive competition," a

Swissair official in Zurich said. Nevertheless, European travelers can soon look forward to greater choice and cheaper fares, along with the same kind of confusion that besets passengers in the United States.

The European Community's Executive Commission is pushing for greater liberalization of fares and routes. If proposed EC legislation is approved as expected next month, airlines will be given greater flexibility to adjust fares within specified discount bands, and smaller operators and charter lines will be able to compete on more routes now operated by national flag carriers under government guarantees of monopoly.

Brazil Leader Glemp Has Praise for Soviet Would Accept Shorter Term

International Herald Tribune

RIO DE JANEIRO — President José Sarney has announced his willingness to shorten his presidential term by one year as a way to rally support for his government.

In a televised national address Monday night, Mr. Sarney said he wished to remain as president for a five-year term. If he does, then presidential elections would be held in 1989, and Mr. Sarney's successor would take office in 1990.

A constituent assembly now in session must still determine if the six-year term in the present constitution will be modified.

Mr. Sarney said his decision was intended to demonstrate a lack of personal ambition so that political forces would support the anti-inflationary measures that his government has been unable to produce.

In recent weeks, he has come under growing criticism not only from opposition groups, which want to cut short his mandate, but also from his own party and from voters.

Mr. Sarney's government has been hurt by a record 21 percent increase in consumer prices last month, and immobilized by divisions in his governing coalition over how long he should remain as president.

St. John's Church "Should be Taken Seriously"

Reuters

STOCKHOLM — Cardinal Jozef Glemp, head of the Roman Catholic Church in Poland, said here Tuesday that church-state relations were improving in the Soviet Union under Mikhail S. Gorbachev's policies.

"A new wind is blowing in the Soviet Union and they really want to try something new," he said in a Swedish television interview.

Cardinal Glemp, on a four-day visit to Sweden, said signs of a more positive Soviet government attitude toward the Russian Orthodox Church "should be taken seriously."

Next year's celebration of the millennium of Christian worship in Russia has increased speculation that Pope John Paul II may be allowed to visit the Soviet Union.

Cardinal Glemp said "things are slowly getting better" in Poland, where the military crushed Solidarity, the church-supported trade union movement, in December 1981.

"We are probably moving towards a democratization," he said.

Martial Law Protest in Taipei

The Associated Press

TAIPEI — About 5,000 people rallied at a park Tuesday to protest martial law on its 38th anniversary but were blocked from marching to the presidential office by riot policemen.

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U.S. Diplomats Satisfied With Cost-Cutting at UN, Ask Restoration of Dues

New York Times Service

UNITED NATIONS, New York — The United Nations has embarked on a new page in its history by completing the severe economic and administrative restructuring demanded by the United States, according to U.S. diplomats.

They said that the measures amounted to a major overhaul of the UN and had satisfied both the letter and spirit of the changes adopted by the General Assembly in December.

The question now, the diplomats said, is whether the United States will fulfill its promise to pay the \$330 million in dues it withheld from the organization pending the changes.

The General Assembly enacted the restructuring under the threat of bankruptcy posed by the U.S. withholding of dues. But now Secretary-General Javier Pérez de Cuéllar has deeply cut the organization's budget and staff.

"This is a new page in the United Nations' history," said a deputy U.S. representative, Joseph V. Reed, who had helped to negotiate the changes. "The real reorganization has taken place."

However, U.S. diplomats said it was not clear that the changes would be enough to persuade Congress to restore all of the U.S. dues.

One U.S. diplomat said that continued withholding of dues would damage the effort to change the UN as well as harm U.S. credibility.

Also, the diplomat said, such action would reverse political gains made during the tenure of Vernon A. Walters, the chief U.S. representative to the UN.

"If the United States does not deliver its full commitment," the diplomat said, "we've got big trouble, credibility trouble."

Other diplomats said that Mr. Pérez de Cuéllar had moved quickly to enact the more controversial measures, including a 15-percent staff cut over three years and a 25-percent cut in top posts, from 57 to 43.

A hiring freeze begun in 1986 has left the UN with a 13-percent job-vacancy rate. Other measures saved

about \$83 million out of a budget of \$841 million last year. They included cuts in overtime and travel, restrictions on meetings and documentation, deferment of a 4.3-percent cost-of-living increase and mandatory retirement at age 60.

Officials have been appointed to manage revamped departments and oversee the remaining changes. These include Mr. Reed, a former Chase Manhattan vice president who will direct political and General Assembly affairs; Martti Ahtisaari, a former Finnish Foreign Ministry official who will oversee administration and management; and Thérèse Paquet-Sevigny, a former Canadian Broadcasting Company official who has taken over the Department of Public Information.

Press research, long under a Soviet-controlled department criticized by the United States, has been removed to an office led by James O.C. Jonah, a diplomat from Sierra Leone. He is held in high esteem by U.S. representatives.

In the budget proposal for the 1988 fiscal year that gave Congress in January, the Reagan administration requested payment of only \$130 million of the \$330 million withheld. Administration officials, saying that the budget was drafted before the General Assembly action, have promised to request the remainder.

The House of Representatives has voted to increase the administration's request to \$142 million. On Friday, the Senate approved a total of \$193 million.

A U.S. diplomat said that if the UN got \$175 million to \$175 million, "we will do quite well in terms of reassuring the United Nations of our interest and the credibility of the United States government."

However, Tom Eric Vraalsen, Norway's chief representative and the chairman of the group that drafted the restructuring, disagreed.

"The reports we get from Congress are discouraging," Mr. Vraalsen said, "and if this is not changed it will be perceived as a letdown on the part of the United States. Many countries will question the wisdom of going further with the restructuring."

INTERNATIONAL Herald Tribune

A Target in the Gulf

Important Business

The two missiles that struck an American warship in the Gulf Sunday night, killing 37 sailors and disabling the ship, appear to have been fired by an Iraqi fighter that mistakenly thought it had an Iranian ship on its radar.

The hit on the Stark was, it seems, one of those hard-to-anticipate misfortunes that tend to happen when weapons are set on a hair trigger in circumstances of stress.

A Question to the Navy

Iraq's blundering attack on the frigate Stark should not change America's aims or means in the Gulf. A military presence is needed to reassure the Gulf states against encroachment by Iran, and warships play a necessary role.

None of this deflects responsibility from Iraq and its policy of indiscriminate attacks on shipping. But whatever the Iraqi's fault, the U.S. Navy should have been prepared, even for accidental attacks.

The Story Changes Again

As investigators peel away the layers of lies, the White House piles on new layers of legal defense. Did President Reagan agree to give arms for hostages to rise funds illicitly for the Nicaraguan rebels? No, he insisted at first.

The king who raised the subject of contra aid. No one outside the White House believes that Saudi Arabia, intuitively and without being asked, doubled its contra support to \$2 million a month.

Other Comment

Keep the Pressure on Iran

There has long been a fear in the West — and no doubt in Moscow — that if nobody interfered in the Gulf war, Iran probably would win.

competition in health care and a greater share of the costs to be borne by the patient, and an overhaul of present tax systems to emphasize "indirect" taxes such as the value-added tax instead of "direct" taxes such as the income tax.

Instability in the South Pacific

The coup d'état in Fiji is a reminder that the South Pacific is no longer a playground of lagoons and islanders living a life of idyllic harmony.

Revolutionary OECD Report

The recent OECD report on "Structural Adjustment and Economic Performance" proposes a world economic recovery based on a greater role for market mechanisms and a reduced role for the state.

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OPINION

A Cease-Fire Plan for Suspending the Iran-Iraq War

By Brian Urquhart and Gary Sick

NEW YORK — During the next six months there may be a fragile opportunity to explore nonviolent alternatives to the military and diplomatic stalemate between Iraq and Iran.

has developed an unpublished eight-point plan that would be available as the basis for discussions if and when these might become feasible.

1. A request to the secretary-general to appoint an international commission to confer with the parties, to examine the origins of the war, to recommend the elements of a peaceful settlement and to report back to the Security Council within a specified period of time.

parties pending the report of the commission. This proposed package contains elements that should be attractive to both Iraq and Iran, but other elements are likely to be seen by both as controversial or undesirable.

It's Time U.S. Ratified the UN Ban on Torture

By Jonathan Power

LONDON — William Buckley, an American who has been held in Beirut since March 1984, is believed to have died the following year after being tortured.

FRANCE BARBIE U.S. A cartoon illustration showing a woman in a dress (France) and a man in a military uniform (Barbie) sitting on a bench, with a man in a suit (U.S.) standing next to them.

Inertia on the Genocide Pact Must Be Overcome

By William Korey

NEW YORK — The trial of Klaus Barbie for crimes against humanity, which compels France to confront its Vichy past, demonstrates anew that the Holocaust remains an international moral issue.

party to the treaty. The Senate, by a vote of 83 to 11, gave its formal advice and consent to ratification.

On Barbie, Bolivia and Torture by Electricity

BEFORE Lyon in 1943, I am aware of no systematic use of torture by electricity. Klaus Barbie assisted his inquiries with a device which attached electrodes to sensitive parts of the body and passed agonizing, convulsing shocks of current through the victim.

adopting a new crime of genocide, with appropriate definitions and penalties. When the Senate leadership had called for the "advice and consent" vote, no one expected further delay in ratification.

Pacific Basin: A Leveling Off, but Only After Tremendous Gains

By Frank B. Gibney

This is the second of two articles.

SANTA BARBARA, California — There are at least six common denominators in the economic success of the Pacific Basin over the past two decades.

work. As exemplified by Japan's redoubtable Ministry of International Trade and Industry — the so-called Productivity Pentagon — and brilliantly led growth like Singapore's Development Board, they have blazed the trail for a new kind of "Confucian capitalism."

peaceful pattern of the post-Marcos change in the Philippines. Is the Pacific "hypothesis" going to explode? By no means. High growth may be leveling off, but it has done very good things for the people of the Pacific.

Of course Japan must now curb its cultural protectionism. It has few choices. America must develop its own competitiveness, while continuing to insist on bigger but fairer Pacific trade.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: The Signal-Kioek

PARIS — The signal-kioek which was erected several weeks ago at the intersection of the Grands Boulevards and the rue Montmartre will pass into history today (May 20). It is to be demolished by the employees of the municipal government.

1937: Italy in Africa

ROME — Italy's dream of a rich empire to Africa teeming with farmers and industrialists was described as an impending reality by the Minister of Italian East Africa (on May 19) before a cheering Chamber of Deputies assembled to consider the colonial budget of 1,617,000,000 lire for 1937-1938.

Handwritten signature or mark at the bottom of the page.

OPINION

Why Does Bob Dole Back Mozambique Terrorists?

By Anthony Lewis

BOSTON — They capture peasants and cut off their ears. They burn clinics. They attack medical teams on their way to inoculate children. Those are some of the tactics used by the Mozambique National Resistance, the guerrilla group known as Renamo. Set up originally by white Rhodesia, then supported by South Africa, Renamo was designed to destabilize Mozambique. Its strategy is simple: terror. Renamo's viciousness has aroused widespread support for the Marxist government of Mozambique, regardless of ideology. Prime Margaret Thatcher has

bassador to Mozambique, Melissa Wells. A professional diplomat who has been in the Foreign Service for 29 years, suddenly she has become a political target. Senator Jesse Helms sent 247 questions to Mrs. Wells. He asked, for example, whether she believed "true democracy should be the United States' goal in Mozambique." He added: "Or is this too much to ask of blacks committed to scientific socialism?"

There also were personal questions. One was: "Did you personally study scientific socialism, Marxist-Leninism or Communism during your youth in Eastern Europe?" Mrs. Wells was born in Estonia in 1932, when it was an independent country. She came to the United States at the age of 3.

What Mr. Helms does surprises no one. The North Carolina Republican is an unapologetic supporter of South Africa and a highly effective opponent of the Reagan administration's policy of helping neighboring black-ruled countries survive South African economic pressure and military attacks. But the support he has gathered surprised many.

On May 1 the Senate voted on a motion to take up the nomination of Mrs. Wells — just to consider it. The vote was 56-28 in favor. Among the Republicans opposed were Senators Dole, Alfonse D'Amato of New York and the usually sensible Warren Rudman of New Hampshire. The nomination was put aside and is still pending.

Day after day senators get letters denouncing Mrs. Wells. One, hand delivered last week, was headed: "Melissa Poisons the Well for America in Mozambique." It came from the "Mozambique Information Office," a Renamo agent with the same Washington address as the conservative Heritage Foundation.

It is plain that Mrs. Wells is just a political symbol. No one has found a flaw in her professional record. Opponents are using the nomination to disapprove administration policy and swing the United States toward Renamo — thus isolating Washington from every one of its allies and friends in African policy.

Yes, the right still has power in Washington. It has money and eager campaign workers. Still, Mr. Dole is a mystery. His great strength as a candidate is the sense that he is a practical man who can get things done, not another ideologue. Why would he want to tie up with forces to the right of Mrs. Thatcher and Mr. Reagan?

In a recent documentary film on Mozambique there is an interview with a peasant woman whose ears were cut off by Renamo terrorists. "Why do they do things like this?" she asks. "If they seize power, they will rule an earlier people." The question might be put to Mr. Dole.

— Columnist William Raspberry.



Mother Russia

LETTERS TO THE EDITOR

Patience in Latin America

Aryeh Neier's suggestion that the United States use its influence to bolster civilian rule among the fragile democracies of Latin America is well received. ("Officers Should Obey the Law, Like Everybody Else," May 12.)

But his call for the prosecution of military officers involved in human rights abuses, to be carried out as a matter of first order, would do little to bolster these democracies. What purpose does it serve to attempt prosecution if the end result is the demise of democracy and the reinstatement of military rule?

Recent events in Argentina have reinforced the belief of leaders like President Marco Vinicio Cerezo of Guatemala that the military will not sit idle as its ranks are purged. Patience, Mr. Neier. We all want justice and democracy in Latin America, but a legacy dating back centuries will not be changed overnight.

JOHN F. DEE, Thun, Switzerland.

First-Hand in Afghanistan

Regarding "In a Dusty Afghan City, Scars of a Prolonged War" (May 7):

Richard M. Weintraub continually emphasized that all his citations came from government spokesmen or through government interpreters. He was, per-

haps, trying to signal that the statements are not true but the usual Soviet disinformation. One feels he was doing his best in difficult circumstances. However, it would be better to publish an occasional report on the war from the Afghan resistance side. First-hand observers have agreed upon certain facts: After more than seven years the Afghans are still resisting the invaders with little outside help and at great cost (one out of three Afghans is now a war casualty or a refugee); and they will continue to fight until they drive out the Soviet forces (a reasonable possibility) or they are annihilated by those forces.

JOHN D. MacDOUGALL, Paris.

100, 75 and 50 Years Ago?

If you are considering adding 100-year-old items to your editorial page feature "In Our Pages," I hope you will nevertheless continue running items from 75 and 50 years ago as well. These are most interesting for elderly people who were young then. In recent weeks, for example, I have been reading about the sinking of the Titanic.

Meanwhile, my best wishes to the International Herald Tribune for another 100 years at least.

DJOLI KANSIL, Honolulu.

More Gift and Legwork Than Luck

By Samuel Abt

PARIS — "His work began in the merest lyric and ended in the vastest encyclopedia," wrote Richard Ellmann about James Joyce, although he might equally have been speaking of himself and his towering biography, "James Joyce." Acclaimed when it was published in 1959, the book was 100 pages thicker by the time Mr. Ellmann revised it for the Joyce centenary in 1982, when it was acclaimed again.

One thing led to another, he tried to pretend. He was "grateful" and "indebted" to long lists of people, libraries "helped me with special services." Doors were opened to him and for him, he said graciously. Of course they were, and nonsense. Richard Ellmann did the work — a vast stretch of sleuthing that he shrugged off with such lines as "Several collectors have put important material at my disposal." In truth, his labor was prodigious.

Richard Ellmann, that lovely man, died last week at age 69. Despite his translations from French and his anthology of American verse, the scholar from Michigan could seem guilty of the Joycean boast, "To me an Irish safety pin is more important than an English epic."

His final book, a biography of Oscar Wilde, will be published posthumously. The one that it seems he never got around to writing was the one he enjoyed joking about. "I'd like to try a series of short essays explaining how long books ought to be written — by other people," he told an interviewer a few years ago.

He elaborated on this in 1984, during a chat in Frankfurt at the ninth international James Joyce Symposium. Most of the fuss there was devoted to "A Critical and Synoptic Edition" of "Ulysses," compiled by computer at the University of Tübingen and seven years in the making — exactly the time Joyce needed to write his masterpiece. The major correction of the new version, which correlated all previous editions, was five lines dropped by publishers in "Scylla and Charybdis," the ninth episode, in which the ghost of Stephen Dedalus's mother tells him the "word known to all men."

Scholars had long debated the missing word. It turned out to be Love.

But of course, Mr. Ellmann said in an airy speech — unable to resist adding, "as I mentioned a dozen years ago."

Love is the theme of the novel, he continued, "love in its various forms: sexual, brotherly, paternal, filial ... Affection between human beings, however transitory, however qualified, is the closest we can come to paradise."

Later, over fizzy white wine at a café near the Main, Mr. Ellmann was pleased to discuss the biographer's life. Luck, he insisted, could not be overestimated.

The first story he told was about a visit to Trieste, where Joyce taught and lived, off and on, from 1905 till 1915 and then again between the end of World War I and 1920. Five decades later, Mr. Ellmann was hunting sources and made the round of neighborhood shops, ask-

ing a question: Could anybody think of a person old enough to have remembered Joyce? Nobody could until he asked the question for the 17th or 37th time in a post office and a man came up to him and said, Yes, his father indeed remembered Joyce. If Mr. Ellmann came with him, he could talk to the father. Which he did.

Or, Mr. Ellmann continued, there was the hunt for Blazes Boylan in Dublin. This man told him to ask that man, that man told him to inquire of this man and so it went until finally he entered an antique shop, rather more an odds and ends store, and asked the old man tending it if he might help identify the model for Boylan, the courier of Molly Bloom.

All that was known of him were Joyce's few particulars, Mr. Ellmann later wrote:

MEANWHILE

"That Boylan's father was a horse dealer off Island Bridge who sold horses to the British during the Boer War, that Boylan is a flashy dresser, especially notable for his straw hat, and that he has just managed a prize fighter."

The old man showed Mr. Ellmann a framed photograph of a young buck in a straw hat holding a horse's bridle. "Would that be your man?" he asked. Mr. Ellmann thought it would, especially when the old man admitted that it was himself in the photograph. His name was Ted Keogh. "He did not know Joyce personally; his only connection with the family, he declared, was that as a boy he shot a peashooter at John Joyce's top hat and hit it," Mr. Ellmann wrote. Footnote 51 for Chapter XXII of "James Joyce" noted that this fact derived from "Interview with Ted Keogh, 1954."

It seemed so easy, as he described the detective work. Luck made it easy. Certainly the writing could not have been easy. How long did he need to craft this throwaway line: "Their landlord, a man named Scholz, proved singularly lacking in the indulgence necessary to house Joyces without fuss?" Or, describing Joyce's letters to his wife, Nora Barnacle: "The dip and sway of Joyce's love letters made an amusing counterpoint to his letters to men. With Nora the effort is to rip away pretenses, with men Joyce is very bespectacled and walking-sticked."

All of Mr. Ellmann's writings ring with this grace. His first two books dealt with William Butler Yeats, who led him to Joyce. "Twelve years ago in Dublin Mrs. W.B. Yeats showed me an unpublished preface in which Yeats described his first meeting with James Joyce," he wrote as a preface to "James Joyce" in 1959. "My book had its origin at that time ..."

Mrs. Yeats did not simply thrust the preface on him. "Right after V-E day [in 1945] I wrote to Mrs. Yeats — not realizing she never answered mail," Mr. Ell-

mann recalled years later in an interview. "Apparently it was the first letter she received after peace in Europe was declared, and she answered and said she'd be glad to see me." He visited her, worked for two weeks in a room crammed with the poet's papers, and won a promise that he could return after World War II. He did, worked with 50,000 unpublished pages of Yeats's work, and one day asked the widow if she had heard the notorious story about the unknown Joyce, then 20, meeting the renowned Yeats, then 37, and exclaiming, "You're too old for me to help you." Both Joyce and Yeats later denied the story.

Mr. Ellmann continued his account in the interview: "It's true," said Mrs. Yeats, "and I can prove it." Whereupon she pulled open a file drawer and dug out Yeats's comments written just after the dreadful interview.

The Yeats quote: "Presently he got up to go, and, as he was going out, he said, 'I am twenty. How old are you?' I told him, but I am afraid I said I was a year younger than I am. He said with a sigh, 'I thought as much. I have met you too late. You are too old.'" Referring to this, Footnote 17, Chapter VII of "James Joyce" reads: "Quoted in R. Ellmann, 'The Identity of Yeats' (New York and London, 1954) pp. 86-9." Luck, yes?

As Goldsmith's Professor emeritus of English Literature at Oxford University, Mr. Ellmann was stricken more than a year ago with a degenerative disease of the nerve cells. Despite the illness, The New York Times reported, he continued to work. During the last weeks of his life, he used small machines to type out messages that were then printed on a screen or on paper, final revisions in the *Times* added. With speech difficult, the *Times* added, Mr. Ellmann typed out jokes and repartee with visitors.

Once the Wilde biography has been published in January, there will be no more from Richard Ellmann. Imagine, just try to imagine.

International Herald Tribune.

Penetrating Listener

RICHARD Ellmann's "James Joyce" may be considered the greatest literary biography of our century. Writing with wit and sympathy, Mr. Ellmann interweaves Joyce's life with Joyce's text; he demonstrates reality turning into art, an almost priestly transubstantiation. In his own personality, he was unliking and self-effacing. A penetrating listener who won the confidence of friends and interviewees; a benign interrogator like Alec Guinness's George Smiley, I have heard him denigrated for his apparent bumbling vagueness. Beneath the reserve and courtesy he was fiercely proud and ambitious — for his work, not personal advancement.

— From an obituary by Roger Lewis in *The Independent* (London).



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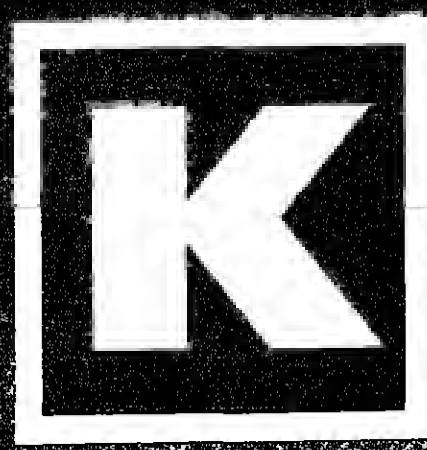
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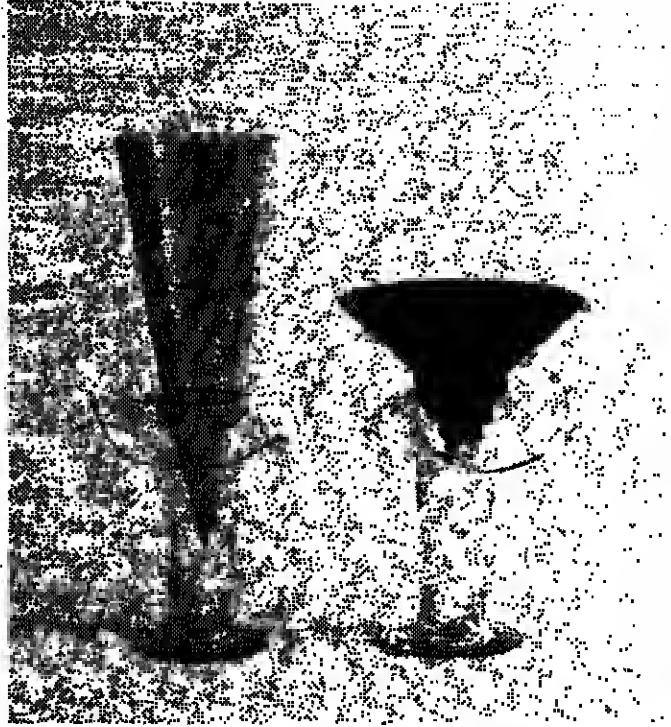
Borek Sipek: New Flair For Bohemian Glassware

By Kate Singleton
BOREK SIPEK is a designer with a sensitivity for many materials: wood, metal, ceramics, marble, glass. He draws out their qualities and fashions them into forms that welcome the hand as well as the eye.

fill the areas between glass and stone walls. The lamps that Sipek designed for his sister's house were to be made in traditional Bohemian glass. To supervise their creation, in 1983 he went back to Czechoslovakia for the first time in 13 years. But the lamps were never produced because halfway through the process Sipek saw forms emerge that seemed right for drinking glasses. So he abandoned the original project and came up with his first collection of goblets, flutes and tumblers, later sold by the firm Quartet. As for his sister, she had to make do with lamps in plastic.



A Borek vase: Making techniques work for the designer.



Two wine glasses designed by Borek.

For the 38-year-old Sipek, working with the master-blowers of Novy Bor, north of Prague, must be like searching roots that have been concealed for years but never sundered. Sipek was born in Prague. His parents died young, and he was brought up by a guardian who was one of the country's foremost glass artists. However, the charms of the inside of a glass-works were apparently few to those early days: "At the age of 10 I was sure that I wanted to become a chef or an architect," he explains.

At the time I was torn between theory and practice. There simply isn't time to do both well. My training in Prague had been very traditional, but it had taught me how to draw. In fact in Hamburg I was considered an artist rather than an architect for this reason. I used to get upset about it. You see, that was back in 1968. You couldn't be an artist in those turbulent years. Now of course I'm grateful that I learned to draw early.

DOONESBURY
GOOD MORNING, WASHINGTON POST. EDITORIAL, PLEASE.

I'M SORRY, SIR, NO ONE CAN COME TO THE PHONE RIGHT NOW. MAY NOT?

I BELIEVE THEY'RE DOING SOME SORT OF IN-HOUSE SURVEY TODAY, SIR.

OKAY, ADULTERERS, KEEP THOSE HANDS UP! WE'RE TRYING TO GET A FIRM COUNT!

cialized in acid engraving on flat glass for a window-wall that has been commissioned for the interior of a Frankfurt bank. The third technique is glass which is partially glazed red by using gold paint that is fired to create a chemical reaction that changes the color. The red areas are then engraved to reveal the crystal white below.

Sipek does much of his thinking about the nature of future objects while traveling. He rarely manages to spend more than two days a week in Amsterdam. Once every two months he is in Prague and Novy Bor. Then he has his clients in West Germany and the Netherlands. He is also a frequent visitor to Italy: in Milan his furniture designs are produced by the firm Drnade; in Tuscany he makes ce-

ramics and marble objects, and in Murano he soon will be following the development of his first designs in Venetian glass.

Italy is very receptive to new ideas," he explains, "because Italian factories realize that you can use techniques to produce what you want; you make the techniques work for you. By contrast, in Germany it's you that has to work for the techniques. Of course I realize that my designs are closer to the individual nature of architecture on a very small scale than they are to industrial design as such. But then that's what they stemmed from in the first place.

'Titus,' in Cold Blood

By Sheridan Morley
THE Royal Shakespeare Company's "Titus Andronicus" at the Swan in Stratford-upon-Avon is a spartan production that marks an RSC debut for its director, Deborah Warner. She has not been given the easiest of initial tasks. Since the classically gory Peter Brook production with Laurence Olivier and Vivien Leigh more than 30 years ago, the play has only been seen twice at Stratford and last time out (in 1981) in a catastrophically truncated 90-minute version by John Barton.

Warner restores the text to its full three and a half hours, and on the minimal set of Isabella Bywater the play is allowed to speak somewhat lengthily for itself, unencumbered by anything more visual than the occasional hocket of blood. It remains, however, the most raw and gory of Shakespeare's tragedies: Titus opens the action by killing one of his sons and closes it by slaughtering an already maimed daughter, while in the intervening acts hands and tongues are cut off almost at random before doing but all-unknown parents start to eat their own offspring, served up in pie crusts. Elsewhere in both title character and play are the beginnings of "King Lear," but what this production suggests is an ancient Roman "Sweeney Todd" forever poised between tragedy and black comedy, and nowhere more so than in the banquet scene, which opens with waiters whistling while they work, and closes with three murderers in three consecutive lines of dialogue.

From his entrance as conquering hero through to his ultimate culinary madness, Brian Cox as Titus offers a bleakly powerful outline sketch of the Lear he will surely one day play, but this is a performance matched only by Estelle Kohler as the Lucretia Borgia who is Tamora, queen of the Goths. For other roles the RSC is once again sorely in need of experienced character actors, and even those who can manage the verse seem somehow to sound as if they do not wish to be caught speaking it.

The result is a cerebral, chilly, faithful, intelligent but ultimately rather academic rendering of an admittedly difficult and treacherous script, lacking at the last the sheer sensuality and sexuality needed to make sense of the bloodiest play in the whole classical history of the British theater.

Not since the late Peter Dabney's influential and unforgettable World Theater seasons at the Aldwych in the 1960s has there been on a rain London stage a program of international theater to rival the one set up by Thelma Holt for the National last season. While we await visits from the Royal Dramatic Theater of Stockholm (in June), the Ninagawa company of Tokyo (in September) and Moscow's Mayakovsky ensemble (in October), the first guest company has been the Schaubuhne from West Berlin, who came to the Ly-

ed its original critics in 1895 (George Bernard Shaw thought it proof of Wilde's perfection as a comic dramatist while Henry James found it crude, clumsy, feeble and vulgar). It comes up almost a century later looking most intriguing for what it tells us of the playwright himself only a few months before the first of his homosexuality trials.

Written by the Thames at Goring (hence the leading character's name) one summer when Wilde was renting a cottage there in an uneasy ménage with his wife and Lord Alfred Douglas, "An Ideal Husband" is essentially about blackmail and love. A government minister, who has become rich and powerful because of the topical crime of insider trading, is about to have his life, career and marriage destroyed by a wonderfully evil woman from his uncertain past. Enter Lord Goring, a bachelor, at least until the final curtain, and a man clearly much loved by Wilde since he gets the best of the epigrams. He also gets to sort out the sordid mess, so that by the end of the fourth act the minister is on his way into the cabinet, all economic sins forgiven and a marriage saved. Wilde, who by the time he wrote the play had already been blackmailed once over his sex life, was clearly much concerned about matters of public scandal and private disgrace, and it is a little unfortunate that Tony Britton's resolutely broad wide-stage production is content to leave the play on its surface level.

On that level, however, it is admirably played. At a time when a high comic style in period costume is not only unfashionable, but largely unobtainable in the British theater, the members of a Chichester company, without any of the long-term-contract advantages of the National or the RSC, have managed to haul themselves into this odd mix of domestic tragedy and political thriller with tremendous confidence, taking their lead from Clive Francis as the suave, affixing Lord Goring and Joanna Lumley as the cascading Mrs. Cheveley, a lady whose costumes seem to come on stage several minutes before she does, once there to give totally separate performances of their own.

There is a sense in which this is the most deeply immoral of all Wilde's plays, since the least deserving end up with most of the gains, but there is also something both innocent and very sad in his constant pleas for marital and public forgiveness of a kind that the playwright himself was never to achieve in his own life.

U.S.-India Relations Hit a Low

New Delhi Says Washington Prefers Firm Tie to Pakistan

By Steven R. Weisman
NEW DELHI — A series of major and minor disputes have sent relations between the United States and India skidding to their lowest level since Prime Minister Rajiv Gandhi took office in 1984, according to American and Indian officials.

The officials said Monday that friction and bitterness had replaced the friendliness of a year or two ago, when Washington was hopeful that Mr. Gandhi would break with precedent and be more sympathetic to U.S. interests.

Indian leaders said the United States appeared to have abandoned its newly professed sensitivity to New Delhi's concerns and is instead seeking a long-term relationship with Pakistan as a U.S. surrogate in the region.

"It is clear that Washington is looking to Pakistan as a replacement for the shah," an Indian official said, likening the situation to that in Iran before the 1979 revolution in which the government of Shah Mohammed Reza Pahlavi was toppled. "That raises the temperature here."

A measure of Indian anger was the recent cancellation of a trip to Washington by the Indian minister of external affairs, Narain Dutt D. Tiwari. His deputy, K. Narain Singh, then had to defend his own earlier visit to the United States against bitter questioning in Parliament.

The new tension has not blocked other efforts to improve relations, officials said, but some of these efforts were said to have stalled. "This is a very delicate time," a U.S. diplomat said.

At the center of the stir is the Reagan administration's determination to provide Pakistan with a new military aid package, including an advanced military air surveillance system, despite indications that Pakistan is developing a nuclear bomb.

Exclusion of the country's 26 million blacks from Parliament is a major cause of more than two years of violence and security clamp-downs in black communities.

Stimulated by broadened support in a whites-only parliamentary election on May 6, Mr. Botha said his National Party government offered "a positive message of orderly and evolutionary progress in which our realities and ideals are thoroughly taken into account."

Botha Stresses Security, Political Segregation

CAPE TOWN — President Pieter W. Botha, opening a new parliamentary session on Tuesday, offered no concessions to South Africa's voiceless blacks, instead emphasizing political segregation and national security.

Mr. Botha said in a speech to a joint meeting of the white, Asian and mixed-race houses of Parliament.

Exclusion of the country's 26 million blacks from Parliament is a major cause of more than two years of violence and security clamp-downs in black communities.

War in Gulf Spurs China Arms Sales

By Michael R. Gordon

WASHINGTON — China has become the fourth largest arms exporter to the Third World, partly on the strength of its sales to Iran and Iraq, according to a new report by the Congressional Research Service.

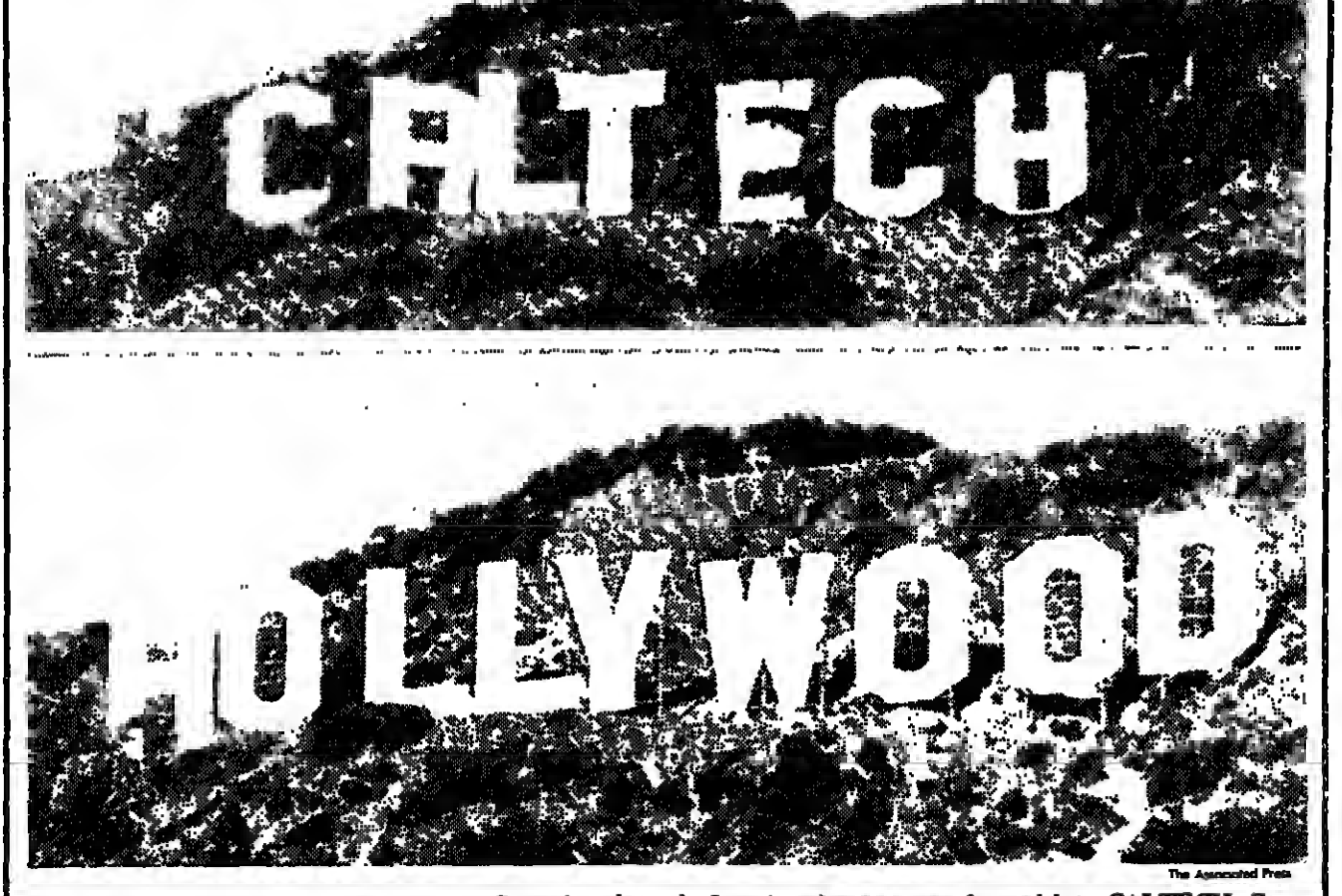
China has reportedly sold Iran a wide range of military equipment, including anti-aircraft missiles, artillery pieces, anti-ship missiles, gun barrels and ammunition, government experts said.

China also agreed to sell arms to Iraq in 1981 and 1982, during the earlier stages of the Gulf war. The arms that have been delivered since then include bombers and tanks.

The report also said that the United States also wins praise in India for its efforts to arrest Sikh extremists.

But Indian officials said that although they expected Washington to continue to help Pakistan, its efforts to rush ahead with highly sophisticated equipment, such as a possible air warning defense system, violated what they considered to be pledges of a new sensitivity to Indian concerns.

AMERICAN TOPICS



THE MAGIC OF HOLLYWOOD — Sometime between sundown on Sunday and sunrise on Monday, with some of Hollywood's most famous residents away on business in Cannes, the landmark HOLLYWOOD sign

in Los Angeles was transformed into CALTECH. Students at the California Institute of Technology in Pasadena said that the prank was a present to the film community, which is celebrating its 100th anniversary this year.

Hopes of Renewal For Lonesome Bus

Greyhound Lines, which started in 1915 and introduced transcontinental bus runs in 1929, has seen its annual passenger count cut in half, to about 30 million, in the past decade. And no wonder, says Michael Redish, a transportation analyst for the Interstate Commerce Commission. For trips under 200 miles (325 kilometers), he said, people drive.

Over 200 miles, if they have access to an airport, they fly. So that raises the question: What role do buses fit?

Short Takes

Even with the decline of smoking, matches will always be needed. The New York Times has noted, for lighting candles, pilot lights and fireplace fires. But what about alternatives? "We are developing alternatives," said Jim Harris, president of the Brilliant Glass Co., a major ashtray manufacturer. It has developed ashtrays that double as candy dishes and coasters. "When you remove an ashtray," he said, "there is nothing left for the chewing gum and sugar wrappers." Another company, Smokador, has repositioned itself: Today its business is

Approximately 60 percent desk accessories and 40 percent ashtrays, reversing the figures of four years ago. Smokador does not permit smoking on its premises.

Doctors are to get a better chance to defend themselves before being suspended from Medicare for violations of professional standards. The federal-state program provides health insurance for the elderly and disabled. Many of the 39 doctors thus far disqualified complained that the process was too arbitrary. Now doctors will be given more advance warning and will be allowed to bring lawyers and expert witnesses to the medical hearings at which their status is reviewed.

Billiards and pool are thriving. Television exposure has increased, and Harold L. Simonsen, publisher of Pool and Billiard Magazine, says the film "The Color of Money," for which Paul Newman won an Academy Award, has "caused a mini-resurgence" in the game, with playing time up by 30 percent across the country. Membership in the Iowa

City-based Billiard Congress of America, encompassing pool as well, has doubled to 11,000 in two years. Manhattan is an exception. Twenty-five years ago, it had 24 pool parlors. Now it has two, apparently because of high rents and stringent laws banning food, liquor and minors.

A floating summer college course to examine life on the Mississippi has been created at Scott Community College in Bettendorf, Iowa. Fifteen students will spend four weeks on a river dredge and a houseboat to study the history, biology, geography and literature of the river. Tuition, room and board cost \$1,500. The course has been named, to be sure, Tom Sawyer University.

Florence Conlon, a New York Times reader, saw this sign in front of a karate school in the borough of Queens: IF YOU PARK YOUR CAR HERE IT WILL BE CHOPPED IN HALF — ARTHUR HIGBEE

INTERNATIONAL MANAGER

Tense Employees Discover Work is a Laughing Matter

By SHERRY BUCHANAN International Herald Tribune

NEW YORK — "Wiggle the right arm, wiggle the left arm, wiggle the right leg, wiggle the left leg," urged C.W. Metcalf, comedian, mime and management consultant, addressing a group of executives from Owens-Corning Fiberglas Corp. "Then go Eeccc, Aaaaa, Bhublubhublub, Lalalalaaa."

After bursting out these baby-like sounds, the executives start loosening up and laughing. It is also hoped they will learn to develop a sense of humor about themselves.

Humor in business! Are you kidding? Some U.S. companies aren't. PepsiCo, Owens-Corning, Johns-Manville Corp., International Business Machines Corp. and American Telephone & Telegraph Co., are sending people to workshops like those of C.W. Metcalf & Co., a firm based in Fort Collins, Colorado. The companies hope that by developing their executives' sense of humor it will help them deal with stress on the job.

One executive practices funny faces in the mirror to help himself relax before work.

An increasing number of American chief executives are recognizing that a sense of humor helps on and off the job. According to Hodge, Cronin & Associates, an executive search firm in Rosemont, Illinois, 85 percent of 737 chief executives surveyed this year said that, all other things being equal, they would rather hire somebody with a sense of humor. In the last survey, in 1983, the figure was only 45 percent.

Some companies, such as Owens-Corning, even decided to run the workshops for demoralized staff being laid off. Drexel Burnham Lambert Inc., a Wall Street brokerage firm under scrutiny by U.S. regulators in the insider-trading investigation, is considering organizing similar workshops for its staff.

Based on medical studies that have found that a sense of humor can be a contributing factor to good physical and mental health, the workshops do not teach people how to tell jokes (only 1 percent of the population can do that well, anyway).

THE WORKSHOPS teach a sense of humor, a sense of perspective, positive thinking, along with good nutrition and exercises for relaxing. "Take your work seriously but take yourself lightly" is one of Mr. Metcalf's mottos. His half-day sessions for 20 to 40 employees cost \$3,950; full days are \$4,950. "I was brought up not to take myself too seriously, but sometimes I've forgotten how to do it," said William J. Benham, an executive with Mountain Bell in Denver, who was laughing just thinking about the two sessions he attended. "These workshops vividly reminded me of it."

A few mornings a week, Mr. Benham practices some of the funny facial exercises he learned at the workshops in front of his bathroom mirror to help himself relax before work.

Sound effects, such as wolf howls, accomplish a similar task — they loosen people up and make them laugh.

Owens-Corning didn't have much to laugh about. Burdened by \$1.3 billion in debt to defend itself from a takeover bid, it dismissed 11,000 out of 28,000 employees. However, it decided to send both the casualties and the survivors of the corporate restructuring to the workshops.

Aside from giving corporate casualties the belief that "there is life after the corporation" the workshops are also helpful in dealing with "survivor syndrome," said J. Mark Pearson, marketing director with C.W. Metcalf. "Morale drops, paranoia sets in and people keep looking over their shoulder," he said.

But for those being laid off, doesn't humor and positive thinking sound like a bad joke? "A number of people were very bitter about the layoffs," said Enzo Carrara, an Owens-Corning manager who lost his job and attended Mr. Metcalf's workshop. But, he added, "The workshop helped me get a positive attitude toward looking for a new job and helped me put things in perspective." After six months of looking, Mr. Carrara now has three job offers.

France To Fund Airbus

But Limits Loan To 5.8 Billion FF

By Axel Krause International Herald Tribune

PARIS — France pledged Tuesday to provide 5.8 billion francs (\$977 million) in loans to help develop the new generation of Airbus Industrie aircraft, but the amount was only 60 percent of that requested by the two French partners in the European aircraft consortium.

The decision made France the second of three major countries in the Airbus consortium to commit funds for the estimated \$4 billion in development costs of the long-range A-330 and the medium-range A-320 aircraft. Britain last week approved a smaller-than-requested contribution, and a decision from West Germany is awaited.

"Today's decision is a major, essential step in the launching of the program," said Pierre Paillet, former senior vice president for marketing at Airbus and now a special adviser to the chairman of Compagnie Financiere de Suez.

However, French industry executives and bankers expressed surprise at the reduced amounts being pledged to the two state-owned partners, the Aerospaceplane aircraft group and SNECMA, France's largest engine maker. The two companies would have to make up the difference through commercial bank loans and internal financing.

"It looks very much as if the French government is putting the squeeze on Aerospaceplane and SNECMA to come up with tougher industrial policies and improve earnings," said a French banker.

Executives and bankers said that the decision to scale back the loans also reflected "sensitivity" to U.S. allegations that Airbus was unfairly subsidizing the four-nation program, which also includes Spain.

Aerospaceplane, which owns 37.9 percent of Airbus, will receive 4.86 billion francs in loans to build the common fuselage of the two aircraft, while SNECMA will get 960 million francs to develop an engine for the A-340 with General Electric Co. of the United States.

Wang's Ad Dazzles the Wing Tips

By William Glaberson New York Times Service

BOSTON — It was one of those painful moments that people in the ad business remember forever.

The top talents of Boston's hottest advertising agency, Hill, Holliday, Connors, Cosmopolis Inc., were crowded into the 39th-floor conference room late on a December afternoon.

There, too, was Kenneth A. Olisa, the new marketing chief of Wang Laboratories Inc., which for years has been the agency's most important client. He was making it plain he was waiting for magic to happen. And everybody knew it wasn't happening.

Wang, as the business pages had been reporting for months, was in deep trouble. Steep losses and layoffs underscored the obvious: The computer company had to do something. Here was Kenny Olisa with a multimillion-dollar budget for a big-splash campaign, and he was waiting.

One after another, Hill Holliday's best and brightest sketched out ideas. As fast as they came, they fizzled. Mr. Olisa didn't like this one. Mr. Olisa hated that one. As evening turned into night, the mood in the room grew darker.

But on March 5, just 10 weeks later, Hill Holliday hit the air with a Wang campaign that is becoming an advertising classic: a series of television, radio and print ads that mix hip computerese with yuppie power-talk in intimate, overheard conversations.

"MIS guys" are learning about "SNA networks." "Nodes" are connecting "VSees." Bankers in wing tips and power ties are impressed, and there isn't any IBM "bro" in sight.

The splash has been big indeed. Wang says its toll-free 800 number is ringing off the modern with leads for big accounts, and it is planning a new generation of the ads. Wang's technobabble could be the "pop, pop, fizz, fizz" — the refrain of a 1960s Alka-Seltzer jingle — of the Max Headroom age.

The company and the agency are reveling in the ads' success. "A lot of all of us are in them," said Terri Keeler, Hill Holliday's account executive for Wang, "because we worked so hard in such a short period of time."

Around the table in the Hill Holliday conference room that December night, the pressures already were intense. Just the month before, Wang's pioneering founder, An Wang, had stepped aside as president, naming his 36-year-old son, Frederick A. Wang, as his replacement.

Fred Wang had brought in a new chief of U.S. operations, Ian Diery, an Australian who previously headed Wang's European unit. One of Mr. Diery's first moves in his new position was to ask his energetic British deputy, 36-year-old Mr. Olisa, to take on the task of transforming Wang's image.

Most corporate buyers thought of Wang as a company to turn to for word processing, not for the full range of computer services. Even those who thought otherwise were frequent-



Don Easdon, left, and Bill Heater of Hill Holliday.

ly discouraged by Wang's product delays.

Mr. Olisa had to move fast. Wang could not take much more bad news. And he had a personal stake in the ad campaign as well. While the company was laying off workers by the hundreds, Mr. Diery and Mr. Olisa persuaded Fred Wang and his father, who remained as chairman, that the company needed to spend millions of dollars on a new ad campaign.

Among the Hill Holliday people in the room that night were two others whose own reputations were on the line. One was Don Easdon, a tailored, 39-year-old executive director who had joined Hill Holliday two years earlier after 10 years at Young &

See WANG, Page 13

Citicorp Expects Loss for Year Of \$1 Billion

Compiled by Our Staff From Dispatches

NEW YORK — Citicorp, the largest U.S. banking group, said Tuesday it would add \$3 billion to its reserve fund for possible loan losses, which will cause a net loss of about \$2.5 billion in the second quarter and \$1 billion for the whole of 1987.

The change would dramatically reverse 1986's result, when the Citicorp became the first U.S. commercial banking group to top \$1 billion for a single year's net income, with earnings of \$1.06 billion.

Citicorp's chairman, John Reed, said the estimate of losses assumes extraordinary gains of \$300 million to \$400 million between now and the end of the year in the sale of investment securities.

The decision had been made at a regular meeting of the board Tuesday morning, Mr. Reed said, based on a review of its worldwide debt portfolio. Citicorp's dividend will not be affected, he added.

According to its 1986 annual report, Citicorp had roughly \$4.6 billion of loans outstanding to Brazil at the end of last year, \$2.8 billion to Mexico, \$1.4 billion to Argentina and \$1 billion to Venezuela.

Mr. Reed said Citicorp felt it was appropriate to raise the loan loss reserve because it is the largest bank lender to most of the major developing countries.

"Our situation makes it particularly important to be in a position of leadership, given the fact that we are a major lender and intend to remain a major lender," Mr. Reed said. "Nobody asked us to do it," he added, referring to U.S. bank regulators.

Mr. Reed said the move would strengthen Citicorp, which as a bank holding company is the parent of Citibank.

After Tuesday's move, Citicorp's total loan loss reserve will be about \$5 billion or about 3.7 percent of total loans. Its primary capital, a major test of a bank's strength, will be \$14.5 billion, up about \$500 million since March 31. This level is roughly 7.1 percent of total assets.

Mr. Reed said the move was not

made to enhance or in any way change Citicorp's negotiating position with major debtor countries.

Citicorp stock fell \$1.625 to close at \$30.625 on the New York Stock Exchange, with rumors of the provisions weakening the price before the formal announcement was made after the market closed.

Mr. Reed said that over the next two to three years Citicorp would attempt to restructure its foreign debt portfolio by swapping debt for equity in business enterprises and by the sale of loans to others.

After the announcement, Standard & Poor's Corp., one of two major U.S. debt rating agencies, affirmed the double-A rating for Citicorp's senior debt, and affirmed the ratings on about \$16 billion of outstanding securities for Citicorp and Citibank.

The other major agency, Moody's Investors Service Inc., affirmed the ratings on \$27 billion of Citicorp and Citibank debt. Moody's said the loss provision adjusted financial statements to more accurately reflect economic reality. (Reuters, UPI, AP)

Brazil Threatens New Debt Move

The Associated Press

SAO PAULO — Brazil may suspend interest payments on part of its debt owed to Western government creditors unless they provide more funds, Finance Minister Luiz Carlos Bresser Pereira was quoted Tuesday as saying.

On Feb. 20, Brazil stopped paying interest on \$68 billion it owes to commercial banks.

O Estado de São Paulo newspaper quoted Mr. Bresser Pereira as saying of government creditors, "Brazil has been paying interest on the debt it owes to these official banks but it has not received any new money in return. If this situation continues we will also suspend our interest payments to them."

Currency Rates

Table with columns for City, Rate, and Date (May 19). Includes entries for Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, and various ECUs.

Table with columns for Country, Currency, and Rate. Includes entries for Argentina, Australia, Brazil, Canada, Chile, Denmark, Egypt, Hong Kong, India, Israel, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, U.K., U.S.A., and Venezuela.

Interest Rates

Table with columns for Term, Rate, and Date (May 19). Includes entries for Eurocurrency Deposits (1 month, 3 months, 6 months, 1 year) and Key Money Rates (Discount rate, Prime rate, Federal funds rate, etc.).

Asian Dollar Deposits

Table with columns for Term, Rate, and Date (May 19). Includes entries for 1 month, 2 months, 3 months, 6 months, and 1 year.

U.S. Money Market Funds

Table with columns for Fund Name and Yield. Includes Merrill Lynch Ready Assets and Tolerate Interest Rate Index.

Gold

Table with columns for Location, Price, and Date (May 19). Includes entries for Hong Kong, Luxembourg, Paris, Zurich, London, and New York.

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FIGURES AS AT DECEMBER 31, 1986: TOTAL ASSETS: US \$ 16.8 billion SHAREHOLDERS' EQUITY: US \$ 1.6 billion



It is active in 19 countries around the world, including the important banking centers of London, Luxembourg, Milan, Paris, Hong Kong, Singapore, Montreal, Tokyo, and of course, New York.

The dedication to excellence of Republic National Bank is a natural



Free Investor Information from International Investor IV

The latest information from the distinguished companies listed in this section are available to you at no charge.

Simply circle the appropriate number on the coupon at the bottom of the page before June 8, 1987 or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

CAP GEMINI SOGETI

CAP GEMINI SOGETI, an independent group with 7,500 employees, is one of the leading DP service companies in the world and the largest in Europe. In 1986, CAP GEMINI SOGETI realized consolidated revenues of F.Fr. 2.9 billion (+ 32%). Net profitability after taxes reached F.Fr. 193 million (+ 45%), which represents 6.6% of revenue.



The company is registered on the Second Market of the Paris Stock Exchange. For 1987, CAP GEMINI SOGETI is budgeting for consolidated revenues of F.Fr. 3.6 billion (+ 24%) — distributed among the United States (CGA), Europe and France. CAP GEMINI SOGETI's leadership is acknowledged in advanced software technologies such as videotex, artificial intelligence, the smart card software engineering, conversions, information systems building, etc.

CSX CORPORATION

CSX Corporation is much more than a railroad, it's now a full service transportation company offering One-Stop Shipping (SM) by rail, barge, truck and container ship. Early this year, the company's purchase of Sea-Land Corporation was approved, which means that CSX service now circles the globe. With nearly \$13 billion in assets, CSX also operates business groups in energy, properties and technology, adding diversified strength to its principal transportation group.



AMERICAN EXPRESS

American Express' earnings achieved a first by exceeding \$1 billion in 1986. Each of its operating units posted record earnings and contributed to an overall 20 percent return on average equity from continuing operations, compared with 16 percent in 1985. Its businesses include the charge card, Traveler's Cheque, travel, data processing, international banking, brokerage, investment banking, personal financial planning, life insurance and asset management industries.



BP

The British Petroleum Company plc is the parent company of one of the world's largest international oil and natural resources groups.

In 1986, despite dramatic fluctuations in the price of oil, BP made solid progress to record pre-tax profits of £1,779 million on a replacement cost basis. This result



owes much to the speed and flexibility with which the group was able to react to the new environment of lower oil prices. The events of 1986 have highlighted the better balance between the group's upstream extractive interests and its downstream customer-orientated businesses and place it in a strong position to meet the challenges of 1987 and beyond.

About the McDonald's System

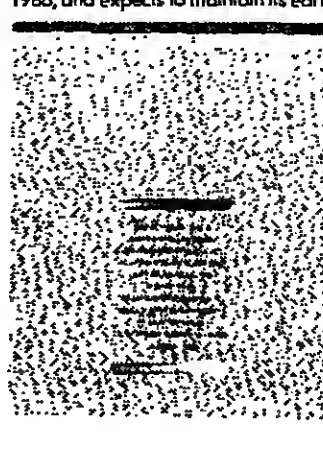
The McDonald's System is the largest foodservice organization in the world. The Company, franchisees and affiliates operated more than 9,500 McDonald's restaurants, each serving a limited menu of high-quality food, which is a part of a well-balanced diet. These restaurants are located in 46 countries around the world. The System has pioneered quality food specifications, equipment technology, marketing programs and operational systems that are now the standards of the industry throughout the world.



McDonald's motto of Q.S.C. & V. translates into Quality food products; fast, friendly service; restaurants known for Cleanliness; and a menu which provides Value. Q.S.C. & V... McDonald's promise to customers every day around the world.

Gulf+Western Inc.

Gulf+Western, continuing to reflect the positive results of an extensive restructuring that began in 1983, increased its earnings from continuing operations 51% in the fiscal year ended October 31, 1986, and expects to maintain its earnings growth in fiscal 1987. As a result, the company raised the quarterly cash dividend on its common stock 33% to 30 cents per share, effective April 1. The company's operations are focused in Financial Services (Associates Corporation of North America), Publishing and Information Services (Simon & Schuster, including Prentice Hall and Pocket Books), and Entertainment (Paramount Pictures, Madison Square Garden, and theatre circuits in the United States and Canada).



MASCO CORPORATION

"A Unique Consumer Products Growth Company"

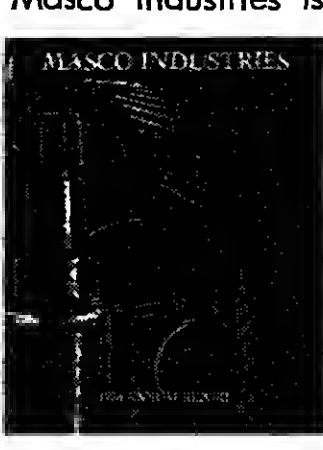
MASCO CORPORATION, a UNIQUE GROWTH COMPANY with leadership market positions, has reported 30 CONSECUTIVE YEARS OF EARNINGS INCREASES. Sales and earnings during this period have increased at average annual compound rates of approximately 20 percent. Masco manufactures Building and Home Improvement Products and Home Furnishings and Other Specialty Consumer Products. Send for our 1986 Annual Report to learn why, we believe, Masco's earnings will continue to grow at an average annual rate of 15 to 20 percent annually over the next five years, with our sales in 1991 approaching or exceeding \$3 billion.



MASCO INDUSTRIES

"A Unique Industrial Growth Company"

Masco Industries is a technology-based company whose primary corporate objective is to enhance shareholder value by maximizing long-term growth in earnings per share through the manufacture and sale of leadership industrial products. As we strive to accomplish our objective of increasing earnings per common share over the next five years, on average, at least 20-25 percent annually, we believe we will demonstrate that we are a unique industrial growth company. Masco Industries manufactures custom engineered and specialty products for commercial and industrial customers.



Nationale-Nederlanden

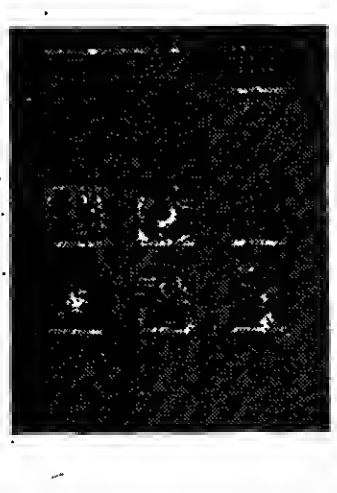
Nationale-Nederlanden, with 23,000 employees in 20 countries, is the tenth largest publicly owned insurance company in the world, the twelfth largest in terms of assets.



In its home market, the Netherlands, it is the largest Dutch insurer and the fourth largest enterprise in the country. The Nationale-Nederlanden Group's combined revenue amounted to U.S. \$7.9 billion in 1986. Of this income, life business represented 34%, non-life 28%, professional reinsurance 7% and investments and other insurance-related activities 31%. In 1986 net assets grew from U.S. \$3.1 billion to U.S. \$3.4 billion.

NOVA, AN ALBERTA CORPORATION

NOVA is a major Canadian shareholder-owned energy company headquartered in Calgary, Alberta, Canada. The Company was formed in 1954 to build, own and operate a province-wide natural gas transportation system. The business base has expanded to include energy-related investments and today NOVA operates as an international organization with most of its activities tied to the world marketplace. Current areas of activity include gas transportation and marketing, petroleum, petrochemicals, manufacturing, consulting and research. The NOVA group of companies employ about 7,100 people. NOVA's common and preferred shares trade on the Toronto, Montreal and Alberta stock exchanges.



PHILIPS LIGHT MORE THAN MEETS THE EYE

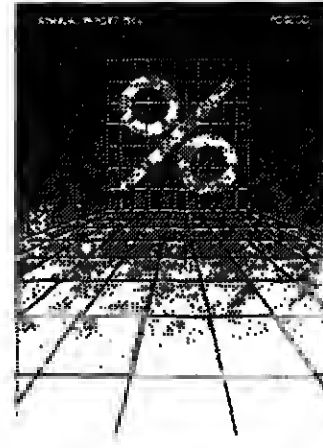
Philips Lighting has published a full-colour 28 page brochure. Entitled "Philips light-more than meets the eye", the brochure offers interesting information not only on the company itself but also and more particularly on its technical expertise.



With the emphasis on the application of lighting, the document contains relevant sections on public and security lighting, sports, hotel health, domestic, office, shipping and aviation, industrial and shop lighting etc. These sections are nicely illustrated with recent projects such as the Raffles City complex, Singapore and the floodlighting of the Eiffel Tower. The brochure is available on a complimentary basis from Philips International B.V., Marketing Communications Lighting Division.

ROBECO

Robeco is a Dutch-based equity fund with a \$5.4 billion global blue-chip portfolio providing income as well as capital appreciation. Total performance in 1986 in \$ was 43.8%. Its average annual performance over the last 5 years of 24.4% gives it a ranking in the top 10 of Lipper's non-US global equity funds. Management cost in 1986 was uniquely low 0.19% of asset value. The Robeco Geneva Account is a perfectly simple, low-cost way of acquiring and holding Robeco shares.



SAAB-SCANIA

The Saab-Scania Group manufactures automotive and aerospace products: passenger cars, trucks and buses, commercial and military aircraft, missiles and satellites. The Group also develops other advanced products in the fields of electronics, optics, sensors image processing and energy technology. We employ 49,000 people in locations in Sweden and in 30 other countries. In 1986 the Group sales were SEK 35 billions with a profit of SEK 3.3 billions. The pre-tax return on total assets was 13.8%, solvency (equity/asset ratio) was 51%. Investments in fixed assets and R&D amounted to MSEK 5,000, equivalent to 14.3% of sales. For a copy of the Annual Report 1986, please write to: Saab-Scania AB, Corporate Communications and Public Affairs, S-581 88 Linköping Sweden.



SANDOZ

Sandoz celebrated its 100-year anniversary in 1986 with record earnings of S.Fr. 8,361 million. The group is a major manufacturer of chemicals, crop protection products, seeds and nutrition products. Headquartered in Switzerland, Sandoz is well-diversified geographically with subsidiaries and affiliates located in over 40 countries. Sandoz spent S.Fr. 746 million on Research & Development in 1986, of which 71% was in the pharmaceutical area. The company enjoys a strong financial condition, with year-end 1986 liquid asset accounting for 25% of total assets.



SEB Group

The SEB Group is the leading manufacturer in France and Europe of small domestic appliances and household goods. It is also the number one producer worldwide of non-stick cookware and bakeware, pressure cookers, electric fryers, and a world leader for steam irons, grills and toasters. It has well recognized brand names such as CALOR, SEB and TEFAL in foreign markets. The SEB Group has a clearly defined strategy: concentration on key products, internationalization and innovation. Consolidated world sales for 1986 amounted to 3,465 MFF (up 7% over 1985) of which over 50% was in France. Net income was up 57% to 110 MFF.



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Maxwell Expected to Raise Harcourt Bid

NEW YORK — The British publisher Robert Maxwell is expected to boost his \$2 billion offer for Harcourt Brace Jovanovich Inc. but the Florida-based book company has made it clear that it would fight to prevent the takeover, analysts and traders said Tuesday.

Arbitrators speculated that the bidding could go above \$50 per share from the \$34 offered Monday by Mr. Maxwell. There also was speculation that Harcourt would seek a friendly bid from another American publishing company, or a partner to hold a significant amount of its shares.

Harcourt's chairman, William

Jovanovich, rejected the offer by British Printing & Communication Corp. in a stunning statement shortly after the bid was announced Monday.

Wall Street analysts expect Mr. Jovanovich, a naturalized American, to continue to attack Mr. Maxwell on the ground that his company is foreign. In his statement, Mr. Jovanovich said he did not believe that Mr. Maxwell would be allowed to preside over Harcourt, the largest U.S. educational publisher.

"That is the trust I have kept in 30 years of publishing for American schools," Mr. Jovanovich said. "One arbitrator commented, 'I think Jovanovich has his heart set on keeping this thing out of foreign

hands, and out of Maxwell's hands. 'You've got this guy who's an avowed socialist attacking the primary text book distributor in the U.S.," the trader added.

Some arbitrators believe that Mr. Maxwell will act aggressively and quickly. But there is doubt that he will be able to add high-profile Harcourt to his publishing empire no matter how much he boosts his offer.

Both companies are headed by strong-willed managers, another arbitrator said.

Ben Boksen, an analyst for Raymond James, said, "The ball is in Maxwell's hands. In this day and age it's difficult to fight cash offers."

Wall Street traders believe that another American publisher could be a likely buyer, but there was no indication that one is ready to bid for Harcourt.

Mr. Maxwell's \$44-per-share offer was valued at about \$2 billion on the basis of fully diluted shares. It would be the largest bid ever for an American publisher.

Harcourt was the most active issue in trading Tuesday on the New York Stock Exchange, rising \$1.375 to close at \$48 after rocketing \$16.12 Monday.

Mr. Maxwell may face problems other than resistance from Mr. Jovanovich. If Mr. Maxwell did acquire Harcourt, he would have to divest its two television stations in Minnesota to comply with U.S. laws barring foreign ownership of broadcast properties, analysts said.

Analysts also said they expected Harcourt shareholders to authorize an increase in outstanding shares from the current total of 39.4 million when they meet on Friday. Mr. Maxwell said Monday that his proposal was conditioned on no new shares being issued.

But arbitrators do not see the authorization of the 9.38 million new shares as an impediment. Harcourt probably would be unable to market them, they noted, while its stock is trading on takeover expectations.

But some analysts said that the company might use the shares to fight a hostile takeover. Mr. Boksen commented, "It would give Jovanovich some leverage in terms of issuing stock to some other party."

In addition to its publishing operation, Harcourt owns seven amusement parks, a periodical publishing business, and a large insurance concern.

Mr. Boksen said that the company also owns more than 700 acres (about 280 hectares) near Disney World in Orlando, Florida.

Zaire Reaches Unprecedented Accord On Delaying Part of Debt Repayments

PARIS — Zaire has won a landmark agreement from creditor governments to put off repaying part of its debt for much longer than ever agreed before, diplomatic and financial sources said Tuesday.

The agreement with the Paris Club of Western creditor nations allows Zaire, hard-hit by slumping copper prices, to delay repaying debt due this year for up to 15 years, the sources said. The accord covers \$584 million in principal and interest, sources said.

It is the first such agreement since the Paris Club announced last month that it had agreed in principle to easier terms on repayment of government-to-government debt for sub-Saharan African countries, which include some of the poorest in the world.

The agreement gives Zaire a six-year grace period, during which no debt has to be repaid.

The sources said the pact rescheduled about 90 percent of the total requested by Zaire.

Zaire's total debt, including money owed to banks as well as the Paris Club governments, is estimated at \$5 billion.

The Paris Club has traditionally granted extensions of 10 years on repayments and the fact that Zaire has been allowed 15 years broke new ground, the sources said. One described it as a "historic first."

The decision to extend the repayment period came in response to a call by the French finance minister, Edouard Balladur, for easier terms for poorer developing countries, the sources said.

Zaire defied its creditors late last year by saying it would limit external debt repayments to 10 percent of its export earnings from January 1987.

But last week, the country won approval from the International Monetary Fund for loans totaling \$2.1 billion Special Drawing Rights (\$369.66 million). Special Drawing Rights are based on a basket of five major currencies.

The 13 creditor countries of the Paris Club felt that Zaire deserved exceptional treatment because of its balance-of-payments problems and debt service charges, along with low per capita income, according to a statement from France's Finance Ministry, which acts as the Paris Club secretariat.

The sources said Zaire's exceptional treatment did not mean the same terms would be extended to other debtor countries.

The Zaire delegation, led by Finance Minister Nsembo Shabani and including the central bank governor, Wa Siakasiyo Pay Pay, are expected to remain in Paris for several days to meet commercial bank creditors.

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U.S. Housing Starts Fall, Mortgage Rates Blamed

WASHINGTON — U.S. housing starts fell 2.9 percent in April while permits for new construction dropped 7 percent to the lowest level since October 1984, the Commerce Department said Tuesday.

New homes and apartments were begun at a seasonally adjusted annual rate of 1.699 million units in April, down from a revised March level of 1.749 million units.

The government also said that housing starts fell by 4.8 percent in March, rather than the previously reported 3.2 percent.

After the figures were released, Commerce Secretary Malcolm Baldrige warned that housing starts

would continue to fall unless mortgage rates were lowered.

"The recent climb in long-term rates has lifted mortgage rates from a little over 9 to about 10.5 percent," he said. "Should mortgage rates remain this high, housing starts are likely to decline further."

Financial analysts had expected a 2 to 3 percent drop in housing starts in April, largely because high vacancy rates are discouraging multifamily construction and because unusually good winter weather allowed construction to begin earlier than usual this year.

But analysts also believe that the sharp rise in mortgage rates that began in mid-April might be con-

tributing to the slump. The April rate for housing starts was the lowest since November, and the figures on permits were even worse.

Housing permits were granted last month at a seasonally adjusted annual rate of 1.594 million, 7 percent below a revised estimate of 1.72 million for March and the lowest rate since October 1984, when the figure was 1.49 million.

The April weakness resulted largely from a 14.1 percent plunge in construction of multi-unit dwellings, the fourth consecutive monthly decline in this category.

Apartment construction dipped to the lowest level since April 1983,

Single-family housing starts rose 2 percent following a 3.9 percent decline in March.

The U.S. housing construction industry is highly sensitive to interest rates, which have risen recently in response to worries about inflation and the declining value of the dollar.

The steepest decline in the annual rate of housing starts last month was in the Midwest, at 14 percent. Housing starts fell 11.4 percent in the West and were down 5.4 percent in the Northeast. The only region to record higher starts was the South, where housing starts rose 11.5 percent.

U.S. Futures

May 19

Season High	Season Low	Open	High	Low	Close	Chg.
29.65	21.40	May	29.65	28.50	28.50	+1.15
57.00	42.00	May	57.00	54.00	54.00	+3.00

Grains

Season High	Season Low	Open	High	Low	Close	Chg.
1.25	1.00	May	1.25	1.15	1.15	+0.15
1.15	0.90	May	1.15	1.05	1.05	+0.15

Metals

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

Livestock

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

Currency Options

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

U.S. Futures (continued)

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

Food

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

Metals (continued)

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

Livestock (continued)

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

Currency Options (continued)

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

Financial

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

Stock Indexes

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

Commodity Indexes

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

Market Guide

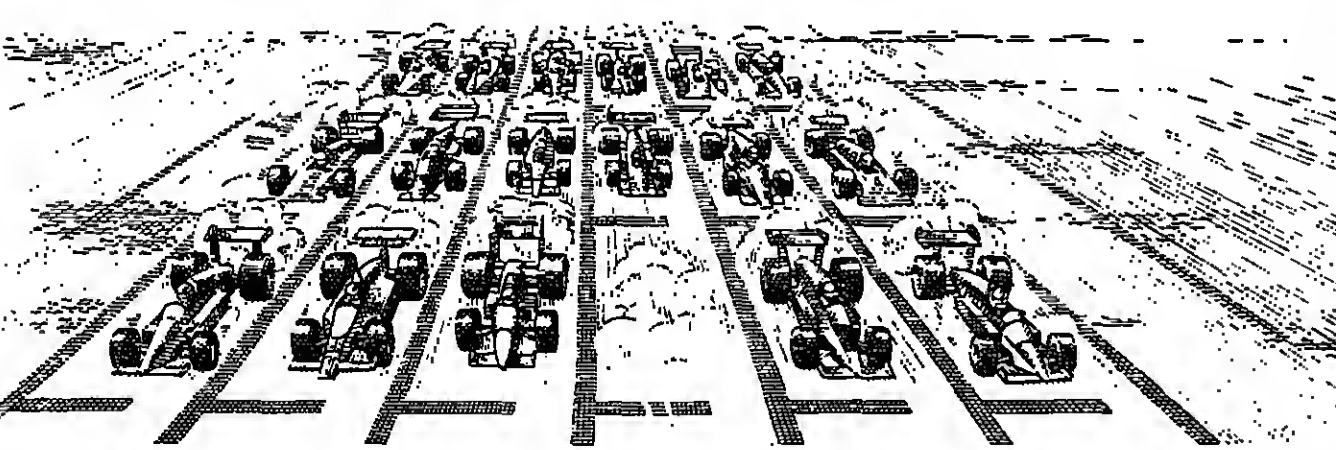
Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

U.S. Treasuries

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10

DM Futures Options

Season High	Season Low	Open	High	Low	Close	Chg.
1.10	0.90	May	1.10	1.00	1.00	+0.10
1.00	0.80	May	1.00	0.90	0.90	+0.10



AT A DISTANCE, ALL PORTFOLIO MANAGEMENT SERVICES LOOK THE SAME

World investment opportunities are plentiful. They are also diverse, complex and fast moving. Professional management of your personal portfolio makes most sense — particularly when you live and work abroad.

But how do you distinguish, at arm's length, a service that offers real performance from one which could leave your funds on the starting grid?

Look closely.

Fidelity is the largest independent fund management group in the world. We manage private and institutional money exceeding \$US 70 billion from our extensive research and investment facilities in London, Paris, Boston, Tokyo, Hong Kong, New York, Jersey, Bermuda and Sydney. Deploying local expertise to provide global perspective in the management of a highly successful range of offshore funds.

All of these resources are brought to bear in the International Portfolio Management Service, taking fullest account of your individual investment objectives. We are also able to provide the long term reassurance that derives from continuing professional attention to the profile of your portfolio as market conditions demand.

Ask yourself how many other portfolio management services can even begin to provide this level of service for an initial investment of \$20,000 (\$30,000). Then decide who should receive the chequered flag.



THAT'S WHY YOU SHOULD GET TO KNOW US

To: Howard de la Haye, Fidelity International (CI) Limited, 57, 59, 61, 63, 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89, 91, 93, 95, 97, 99, 101, 103, 105, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 539, 541, 543, 545, 547, 549, 551, 553, 555, 557, 559, 561, 563, 565, 567, 569, 571, 573, 575, 577, 579, 581, 583, 585, 587, 589, 591, 593, 595, 597, 599, 601, 603, 605, 607, 609, 611, 613, 615, 617, 619, 621, 623, 625, 627, 629, 631, 633, 635, 637, 639, 641, 643, 645, 647, 649, 651, 653, 655, 657, 659, 661, 663, 665, 667, 669, 671, 673, 675, 677, 679, 681, 683, 685, 687, 689, 691, 693, 695, 697, 699, 701, 703, 705, 707, 709, 711, 713, 715, 717, 719, 721, 723, 725, 727, 729, 731, 733, 735, 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763, 765, 767, 769, 771, 773, 775, 777, 779, 781, 783, 785, 787, 789, 791, 793, 795, 797, 799, 801, 803, 805, 807, 809, 811, 813, 815, 817, 819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867, 869, 871, 873, 875, 877, 879, 881, 883, 885, 887, 889, 891, 893, 895, 897, 899, 901, 903, 905, 907, 909, 911, 913, 915, 917, 919, 921, 923, 925, 927, 929, 931, 933, 935, 937, 939, 941, 943, 945, 947, 949, 951, 953, 955, 957, 959, 961, 963, 965, 967, 969, 971, 973, 975, 977, 979, 981, 983, 985, 987, 989, 991, 993, 995, 997, 999, 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021, 1023, 1025, 1027, 1029, 1031, 1033, 1035, 1037, 1039, 1041, 1043, 1045, 1047, 1049, 1051, 1053, 1055, 1057, 1059, 1061, 1063, 1065, 1067, 1069, 1071, 1073, 1075, 1077, 1079, 1081, 1083, 1085, 1087, 1089, 1091, 1093, 1095, 1097, 1099, 1101, 1103, 1105, 1107, 1109, 1111, 1113, 1115, 1117, 1119, 1121, 1123, 1125, 1127, 1129, 1131, 1133, 1135, 1137, 1139, 1141, 1143, 1145, 1147, 1149, 1151, 1153, 1155, 1157, 1159, 1161, 1163, 1165, 1167, 1169, 1171, 1173, 1175, 1177, 1179, 1181, 1183, 1185, 1187, 1189, 1191, 1193, 1195, 1197, 1199, 1201, 1203, 1205, 1207, 1209, 1211, 1213, 1215, 1217, 1219, 1221, 1223, 1225, 1227, 1229, 1231, 1233, 1235, 1237, 1239, 1241, 1243, 1245, 1247, 1249, 1251, 1253, 1255, 1257, 1259, 1261, 1263, 1265, 1267, 1269, 1271, 1273, 1275, 1277, 1279, 1281, 1283, 1285, 1287, 1289, 1291, 1293, 1295, 1297, 1299, 1301, 1303, 1305, 1307, 1309, 1311, 1313, 1315, 1317, 1319, 1321, 1323, 1325, 1327, 1329, 1331, 1333, 1335, 1337, 1339, 1341, 1343, 1345, 1347, 1349, 1351, 1353, 1355, 1357, 1359, 1361, 1363, 1365, 1367, 1369, 1371, 1373, 1375, 1377, 1379, 1381, 1383, 1385, 1387, 1389, 1391, 1393, 1395, 1397, 1399, 1401, 1403, 1405, 1407, 1409, 1411, 1413, 1415, 1417, 1419, 1421, 1423, 1425, 1427, 1429, 1431, 1433, 1435, 1437, 1439, 1441, 1443, 1445, 1447, 1449, 1451, 1453, 1455, 1457, 1459, 1461, 1463, 1465, 1467, 1469, 1471, 1473, 1475, 1477, 1479, 1481, 1483, 1485, 1487, 1489, 1491, 1493, 1495, 1497, 1499, 1501, 1503, 1505, 1507, 1509, 1511, 1513, 1515, 1517, 1519, 1521, 1523, 1525, 1527, 1529, 1531, 1533, 1535, 1537, 1539, 1541, 1543, 1545, 1547, 1549, 1551, 1553, 1555, 1557, 1559, 1561, 1563, 1565, 1567, 1569, 1571, 1573, 1575, 1577, 1579, 1581, 1583, 1585, 1587, 1589, 1591, 1593, 1595, 1597, 1599, 1601, 1603, 1605, 1607, 1609, 1611, 1613, 1615, 1617, 1619, 1621, 1623, 1625, 1627, 1629, 1631, 1633, 1635, 1637, 1639, 1641, 1643, 1645, 1647, 1649, 1651, 1653, 1655, 1657, 1659, 1661, 1663, 1665, 1667, 1669, 1671, 1673, 1675, 1677, 1679, 1681, 1683, 1685, 1687, 1689, 1691, 1693, 1695, 1697, 1699, 1701, 1703, 1705, 1707, 1709, 1711, 1713, 1715, 1717, 1719, 1721, 1723, 1725, 1727, 1729, 1731, 1733, 1735, 1737, 1739, 1741, 1743, 1745, 1747, 1749, 1751, 1753, 1755, 1757, 1759, 1761, 1763, 1765, 1767, 1769, 1771, 1773, 1775, 1777, 1779, 1781, 1783, 1785, 1787, 1789,

BUSINESS ROUNDUP

Bank Leu Sells Big Guinness Stake

LONDON — Guinness PLC, the big brewing concern that is under investigation for its tactics in a takeover of Distillers Co. last year, shares representing 4.8 percent of its equity were sold to institutional investors by Bank Leu AG.

Stock Exchange, up 17 on the day. Bank Leu acquired a total stake of 41 million Guinness shares last year in the final stages of Guinness's takeover battle for Distillers.

Spain Chooses Buyer For Sherry Company

MADRID — A Spanish government panel has ruled that the Williams & Humbert sherry company should be sold to a Venezuelan-led consortium, a Finance Ministry official said Tuesday.

Japanese Firms To Supply Fibers Plant for Soviet

MOSCOW — A group of Japanese companies has signed a \$600 million contract to build a polyester textile plant in the Soviet Union, Japanese Embassy officials said here Tuesday.

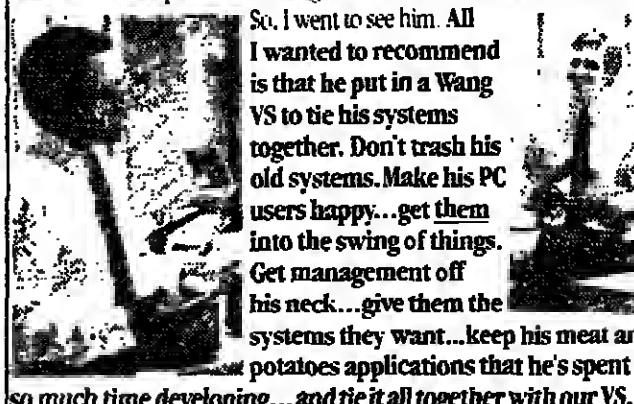
WANG: Ads in Hip Computereze Help It Connect With Corporate Customers

(Continued from first finance page) Rubicon, one of the U.S. advertising giants. The other was Mr. Easdon's partner, Bill Heater, a rumpus 33-year-old copywriter.

Their inside tone gave them credibility. And there was something fascinating about the strange computer-speak dialect. For the 20,000 or so big-company computer buyers in the country, the high-tech jargon amid the grating jingles of television would jump out like a

They bought air time and print space. They drew up plans for a 60,000-piece direct-mail campaign that would follow the blitz. Mr. Easdon taped more than a dozen war stories from Mr. Olisa and others at Wang. Mr. Heater

They started casting and scouting Los Angeles locations for the shooting. Then, just when everything should have been going right, it started going wrong. Mr. Olisa and his staff in Lowell were reading the scripts sent from the West Coast, and they were worrying.



WANG MAKES IT WORK. So, I went to see him. All I wanted to recommend is that he put in a Wang VS to tie his systems together. Don't trash his old systems. Make his PC users happy... get them into the swing of things. Get management off his neck... give them the systems they want... keep his meat and potatoes applications that he's spent so much time developing... and tie it all together with our VS. Perfect solution. Perfect, and when he saw that... tears came to his eyes. Well... not really. It wasn't quite like that.

Pretax Profit At Allied-Lyons Rose 26% in '86

LONDON — Allied-Lyons PLC, the British food and drink giant, said Tuesday that pretax profit rose 26 percent to £240.9 million (\$373.39 million) in the 53 weeks ended March 7, from £269.5 million a year earlier.

Olivetti Shares Fall on Probe of de Benedetti

MILAN — Share prices of companies controlled by the Italian financier Carlo de Benedetti dropped Tuesday after newspapers said he was giving notice that he was under investigation in connection with Banco Ambrosiano's collapse.

company, fell 3.5 percent, to 6,050 lire. Mr. de Benedetti was a shareholder and deputy chairman of Banco Ambrosiano for 65 days. He resigned on Jan. 22, 1982, citing disagreements with the chairman of the bank, Roberto Calvi.

Two Milan judges who are looking into the 1982 failure, Italy's biggest banking scandal, would not say whether Mr. de Benedetti was sent a judicial notice. Such notices state that a person is under investigation but not charged with a crime. Judicial sources, however, confirmed the news reports.

BA Pretax Profit Fell 17% in 1986-87, but Beat Forecast

By Warren Geiler International Herald Tribune LONDON — British Airways PLC said Tuesday that pretax profit fell 17 percent to £162 million (\$328 million at current exchange rates) in the year ended March 31, from £195 million a year earlier, although the drop was less than expected because of a late surge in passenger traffic.

Group sales in 1986-87 edged up marginally to £3.26 billion from £3.15 billion a year earlier. On average, the airline's planes flew 67 percent full, down slightly from 68 percent the previous year.

Operating profit dropped 11 percent to £183 million from £205 million a year earlier. Jennie Wootton, airline analyst with Kleinwort Grierson Securities in London, said that she expected BA's pretax profit to soar 54 percent this fiscal year to £250 million. "Everything is going well for the company and should remain that way, particularly if oil prices remain favorable," she said.

Following BA's purchase last year of 16 of Boeing Co.'s 747-400 planes, Lord King said the company had no immediate plans for a subsequent order of either McDonnell Douglas Corp.'s planned long-haul MD-11 aircraft or its main competitor, the proposed Airbus Industrie A-340 jet. He said the company did not have sufficient information on the new planes to choose.

Arab Investors To Sell 22% Stake In Smith Barney

NEW YORK — Smith Barney Inc.'s major shareholder group, which consists of several wealthy Arab investors, has put its 22 percent stake up for sale, the securities firm said Tuesday.

German Bank Loan for China

BEIJING — Five West German banks, led by Westdeutsche Landesbank Girozentrale, have made a 200 million Deutsche mark (\$112.36 million) long-term loan to China International Trust & Investment Corp., the official Economic Daily said Tuesday.

Fuel costs fell by £200 million in 1986-87 to reach £371 million. Lord King, BA's chairman, said that all divisions were experiencing buoyant growth and that summer traffic forecasts were approaching record levels. He declined, however, to give a profit projection.

Net profit fell 16 percent to £152 million from £181 million a year earlier, with earnings per share of 20.5 pence from 26.3 pence.

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CURRENCY MARKETS

Dollar Closes Lower Against Major Currencies

NEW YORK — The dollar was lower across the board in New York on Tuesday. The dollar closed at 1.7705 Deutsche marks, more than a penny down from 1.7815 on Monday; at 139.525 Swiss francs, down from 140.20; at 1.4525 British pounds, down from 1.4630; and at 5.9250 French francs, down nearly 3 centimes from 5.9540.

the latest in a string of bearish economic figures that show the U.S. economy may be too fragile to support a tighter monetary policy, dealers said. Many said that the dollar was trading with a half-point increase in the discount rate already counted. Earlier, the dollar finished mixed in dull trading in London. In London, the dollar ended the day at 1.7775 DM, down from 1.7825 at both the opening and mid-session and from 1.7785 on Monday. But it rose against the yen, trading as high as 140.20 at midday before closing at 140.05, up from 139.90 Tuesday. It was also higher against the French franc, closing at 5.9475, against 5.9375, but was lower against the Swiss franc, at 1.4585, down from 1.4595. The British pound closed at \$1.6830, up from \$1.6790 at the opening, but down from \$1.6840 at Monday's close.

London Dollar Rates

Table with columns: Currency, Bid, Ask, Change. Includes Deutsche mark, Swiss franc, British pound, French franc.

They said that what little news there had been Tuesday had tended to depress the dollar. One dealer with a U.S. bank in London said another noticeable factor had been market rumors that Manufacturers Hanover Corp. was having trouble raising money in the wholesale money markets. A firm denied by the company seemed to have quashed the rumor and the dollar perked up slightly, he said. Dealers in London generally felt that any increase in the U.S. discount rate would have little impact on foreign exchanges. The pound was unchanged through the day at 73.8 on its trade-weighted index. In earlier European trading, the dollar was fixed in Frankfurt at 1.7827 DM, up from 1.7752 Monday; and in Paris at 5.9570 French francs, up from 5.9375. It closed in Zurich at 1.4583 Swiss francs, up from 1.4558.

Futures Ruling Seen in Japan

TOKYO — The Finance Ministry is to allow Japanese institutions to trade in foreign financial futures markets on their own accounts starting Friday, the news agency Jiji Press reported Tuesday. However, a ministry spokesman said that no official decree had been issued. Institutions had expected the move before the end of the month. Finance Ministry sources said only financial institutions would be permitted to trade in futures markets abroad; individuals would be barred. Until now, only foreign subsidiaries of Japanese institutions had had access to foreign futures markets.

Pöhl Says Exchange Rates Are Top Priority

FRANKFURT — Efforts to stabilize exchange rates to help the West German economy are currently more pressing for the Bundesbank than traditional monetary policy concerns such as money supply, Bundesbank president Karl Otto Pöhl said Tuesday. "I am of the opinion that efforts to stabilize the dollar-mark rate have reached a high priority for the central bank, he told reporters. He said a further big revaluation of the mark would endanger the West German economy. Central bank money stock, which includes currency in circulation and banks' required reserves on domestic deposits, was growing at 7.8 percent in April, he said, well above the bank's 3 percent to 6 percent target for 1987. But there was no immediate concern that this would lead to inflation, he said. Mr. Pöhl said an important instrument for stabilizing currencies

was broader interest rate differentials. He said this had been done since February, with U.S. bond yields and the federal funds rate rising, while West German bond yields had fallen and the Bundesbank had steered money market rates down with its open market policy. "This widening will be an important contribution to stabilizing exchange rates. I hope," Mr. Pöhl said. A widening of the gap between interest rates helps to slow the dollar's fall by making it more attractive to investors. Mr. Pöhl said he expected the West German economy would show a decline in the first quarter because of the harsh winter. But this would be partly recovered in the second quarter, he said. "For the rest of the year, it will be of major significance whether we succeed in preventing a further rise in the mark," he said. Mr. Pöhl said the Bundesbank

had not switched priorities to exchange rates from money supply last autumn, when it was under pressure to ease monetary policy, because the exchange rate seemed to be stabilizing and the economy was performing strongly. But by early this year there had been another strong rise in the mark, a realignment of the European Monetary System, which allows most EC currencies to float within specified margins, and a slowdown in the economy. Tightening interest rates now to counter excessive monetary growth would merely suck in more foreign funds, inflating money supply even further, Mr. Pöhl said. The central bank money supply measure still had validity, he said, and if it continued to grow excessively for a long time it could cause problems. He said the bank had to prevent the potential for inflation from building up.

Tuesday's OTC Prices. NASDAQ prices as of 3 p.m. New York time. Via The Associated Press.

Table A: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like ADC, ASC, AIG, etc.

Table B: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like BEI, BFC, BGC, etc.

Table C: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like CCC, CFC, CMC, etc.

Table D: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like HAD, HFC, HGC, etc.

Table E: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like JAG, JFC, JGC, etc.

Table F: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like KAC, KFC, KGC, etc.

Table G: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like LAC, LFC, LGC, etc.

Table H: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like MAC, MFC, MGC, etc.

Table I: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like NAC, NFC, NGC, etc.

Table J: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like OAC, OFC, OGC, etc.

Table K: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like PAC, PFC, PGC, etc.

Table L: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like QAC, QFC, QGC, etc.

Table M: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like RAC, RFC, RGC, etc.

Table N: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like SAC, SFC, SGC, etc.

Table O: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like TAC, TFC, TGC, etc.

Table P: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like UAC, UFC, UGC, etc.

Table Q: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like VAC, VFC, VGC, etc.

Table R: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like WAC, WFC, WGC, etc.

Table S: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like XAC, XFC, XGC, etc.

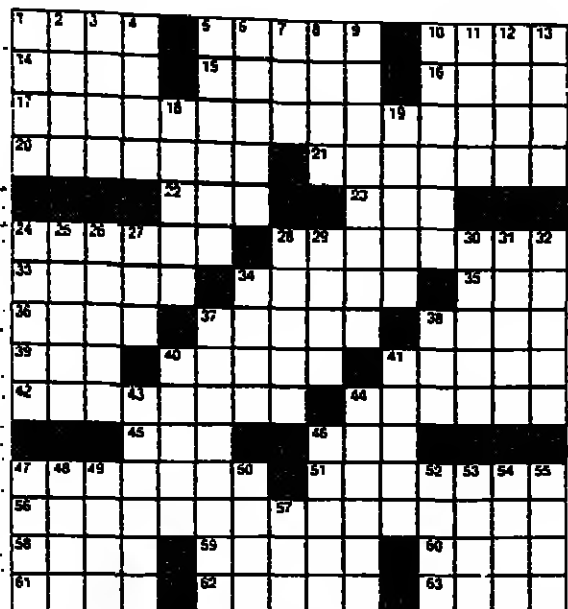
Table T: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like YAC, YFC, YGC, etc.

Table U: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like ZAC, ZFC, ZGC, etc.

Table V: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like AAC, AFC, AGC, etc.

Table W: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like BAC, BFC, BGC, etc.

Table X: 12 Month High/Low Stock, Div, Yld, PE, % Chg. Lists various stocks like CAC, CFC, CGC, etc.



ACROSS

1 Chinese gelaun
An Amerind
10 One of the
Near Islands
14 Ali
15 Hunker
16 Memorable
restaurant

DOWN

1 Singer Lane
2 Dolls
3 Down with, in
Dyon
4 Slalom, e.g.
5 Phrygian
6 Singer Della
7 Concha
8 Goes astray
9 Bloomers'
cousins
10 Eva Luces
11 Winter warm
spell
12 Riven
13 Nobel
14 chemist: 1934
15 Jack
16 Rub out
17 "With silver
— and
cockle shells"
18 He wrote "The
Cocktail
Party"

ACROSS

46 Onassis
47 Equity
member
51 Upper edge of
a ship's side
56 See 1st Across
58 Observe
59 Marsh bird
60 Irritated
61 Took legal
action
62 Medicinal
— shots
63 Pitch

DOWN

26 Thurber forte
27 Odontologist's
org.
28 Authority
29 Small brook
30 An archangel
31 French
annuity
32 Oater actor
Buchanan
34 Part of the
pinna
37 Starving
38 Golfer
Norman, e.g.
40 French
Impressionist
41 Auctioneer's
word
43 Made
44 Vinegar
bottles
46 Conclude
47 Beards grown
by farmers
48 — En-lai
49 Cécile's
cranium'
flower
50 Utah's state
document
53 Gas: Comb.
form
54 Dregs
55 Means
partner
57 Time pds.

New York Times, edited by Eugene Malachuk.

DENNIS THE MENACE



I'M NEVER GOING TO GET MARRIED... AND I'M GOING TO TELL MY CHILDREN NOT TO, EITHER!

JUMBLE

Unscramble these four Jumbles. One letter to each square, to form four ordinary words.

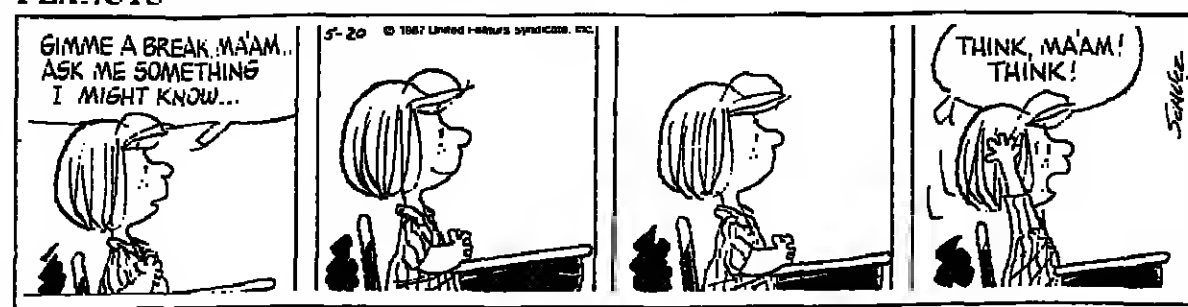
OOONI
SYNOW
VAUDLE
TENNIV

Answer: A "PLOT OF GOLD"

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	18	12	Bangkok	32	26
Amsterdam	17	11	Beijing	28	17
Athens	24	16	Hong Kong	29	23
Berlin	12	7	Kobe	23	18
Bombay	32	26	New Delhi	40	29
Brussels	17	11	Shanghai	28	19
Buenos Aires	21	15	Singapore	29	24
Cardiff	12	7	Tokyo	22	16
Cairo	28	22			
Chicago	15	9			
Copenhagen	12	6			
Delhi	32	26			
Frankfurt	12	6			
Geneva	18	12			
Helsinki	14	8			
London	12	6			
Madrid	18	12			
Moscow	17	11			
Munich	16	10			
Nairobi	24	18			
Osaka	28	22			
Paris	15	9			
Prague	17	11			
Rangoon	32	26			
Reykjavik	12	6			
Rome	21	15			
Stockholm	12	6			
Sydney	18	12			
Tientsin	28	22			
Vienna	18	12			
Warsaw	17	11			
Zurich	18	12			

PEANUTS



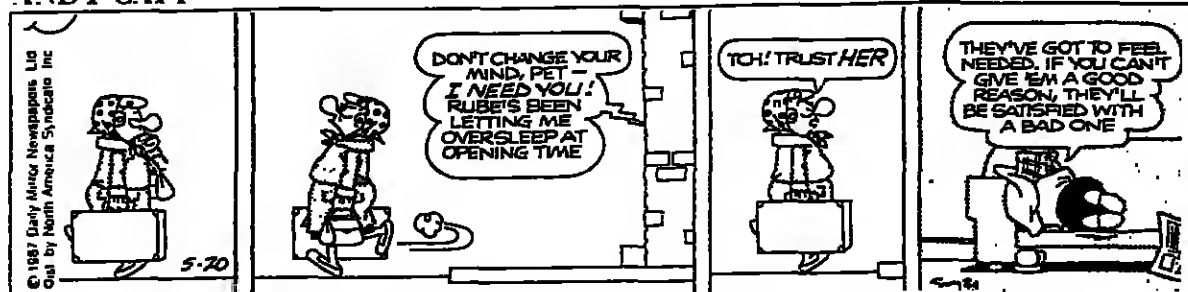
BLONDIE



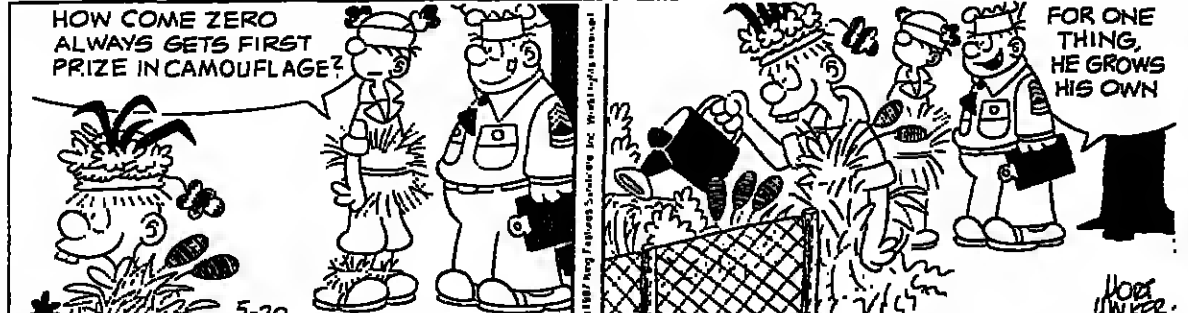
BEETLE BAILEY



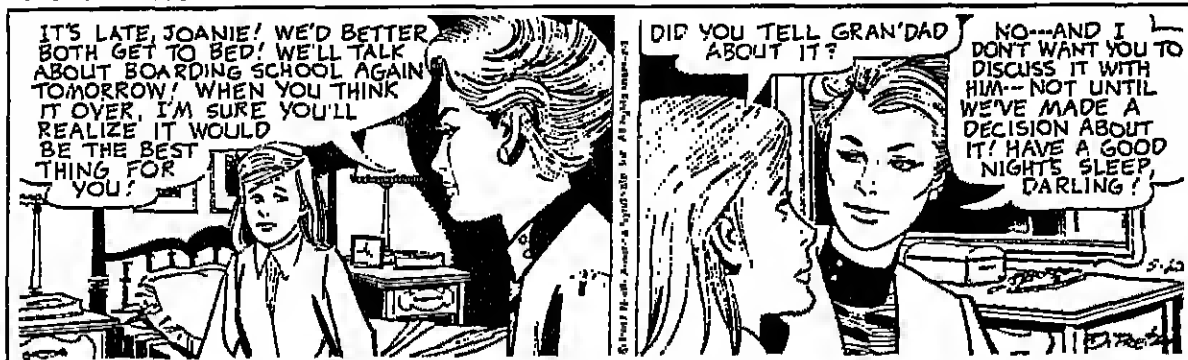
ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



BOOKS

A YELLOW RAFT IN BLUE WATER

By Michael Dorris. 343 pages. \$16.95. Henry Holt, 521 Fifth Avenue, New York, N. Y. 10175.

Reviewed by Michiko Kakutani

SET against the backdrop of an Indian reservation in Montana and nearby regions in the Pacific Northwest, "A Yellow Raft in Blue Water" tells the story of three extraordinary women: Rayona, a self-reliant schoolgirl set adrift from her family at the age of 15; her strong-willed mother, Christina; and Ida, the proud matriarch of their clan. Each of these women speaks to us directly without the scrim of an omniscient narrator, and together, their voices form a chorus echoing through four decades of family history.

A similar method of narration was employed by Michael Dorris's wife, Louise Erdrich, in her novel "The Best Queen" (1986); and in interviews, the couple have spoken of their collaborative work on such novels. Authorship, they have explained, goes to the person who does the first draft—which presumably means that "A Yellow Raft in Blue Water" was initially written by Dorris, then edited (revised or commented upon) by Erdrich.

In any case, the book not only has structural affinities with "The Best Queen" but also addresses many of the same themes—including the growing sense of rootlessness overtaking the provincial United States, the lasting consequences of ancient family betrayals and the complicated equation of affection and resentment worked out between parents and their children. Although the writing in "A Yellow Raft" is not as consistently—and as organically—lyrical as that found in Erdrich's books, it does share a capacity to startle the reader with strong, almost dreamlike images: a car's broken taillight, "spilling a red beam at a funny angle"; a tired woman in a reclining chair, lying "almost flat, suspended in the room like the lady in a magic act"; a hot, breezeless day in which "the leaves on the short trees looked heavy as tin."

Happily, these descriptions of the physical

Solution to Previous Puzzle

A	B	E	A	D	O	U	A	G	A	C	T
T	E	R	R	A	U	R	S	A	G	A	R
H	A	N	K	P	A	N	K	Y	O	M	E
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K	E	E	N	E	R	I	C	E	V	E	N
S	D	S	M	O	T	H	E	I	S	E	S

BEST SELLERS

The New York Times Best Seller list for the week ending May 17, 1987.

Rank	Title	Author	Weeks on List
1	FINE THINGS	by Carolee Sudd	1
2	THE HAUNTED MESA	by Louis L'Amour	1
3	WINDMILLS OF THE GODS	by Larry McMurtry	4
4	THE LADIES OF MISSALONGHI	by Colleen McCullough	7
5	THE EYES OF THE DRAGON	by Stephen King	9
6	ROLY POLY	by Dick Francis	10
7	NO DEALS, MR. BOND	by John Gardner	11
8	THE THANATOS SYNDROME	by M.J. Arliss	11
9	RED STORM RISING	by Tom Clancy	11
10	GUARDIANS OF THE WEST	by David Gooden	12
11	HERBES	by Janet Dally	12
12	WINTER HAWK	by Ross MacKenzie	16
13	THE PRINCE OF TIDES	by Pat Conroy	17

BRIDGE

By Alan Truscott

IN THIS DECADE, bridge has boomed in China, but its players have never taken part in a major invitational event. That barrier was broken when Gu Ling and Zhang Yanlan of Canton played this month in the prestigious Invitational Charity Pairs at the Cavendish Club in Manhattan.

In the 1986 world championships in Miami Beach, they finished 12th in the women's pairs, the best result by players outside North America and Europe. They were aided by the diagrammed deal, which began with a Precision one-club bid, strong and artificial, and landed Zhang in six clubs.

The diamond queen was led and the dummy proved slightly disappointing. South was hoping to ruff a majorsuit loser but that was not possible. There were only 11 tricks in sight, and a squeeze was needed for the 12th. The key move in such situations is to concede quickly

major suits and allow the slam to succeed.

Zhang had brilliantly executed a "non-simultaneous double squeeze" and West was left to discover that she had missed a chance for a fine counterstroke. A heart return at the fourth trick would have removed a vital entry to the South hand and no squeeze would have been possible.

When South cashed the spade king and led to the ace, West was forced to throw a heart to preserve the diamond guard. Then the play of the diamond king ruined East's

West led the diamond queen.

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World Stock Markets

Via Agence France Presse Closing prices in local currencies, May 19.

Market	Index	Change
Amsterdam	1000	+15
London	2200	+20
Paris	1200	+10
Stockholm	1500	+5
Zurich	1800	+8

Small Platinum Coins

Win Over Investors

By H.J. Maidenberg

New York Times Service

NEW YORK — Platinum may be much rarer than gold and may have far more important industrial uses than silver, but the dull gray metal is only now starting to attract sizable numbers of investors in the United States. One reason is that platinum is now readily available to investors in 1-ounce (31.1-gram) bullion coins, which have become the most popular form of owning precious metals among investors.

Until recently, most investors were accustomed to think only of gold and silver as a hedge against inflation. Platinum was considered, if at all, as an exotic metal. More sophisticated investors and hedgers shied away from platinum because of its erratic price movements, with it often selling for less than gold despite its scarcity, and because of the bizarre history of the "youngster" of precious metals.

The total output of platinum last year was estimated at less than 3 million ounces, compared with more than 60 million ounces of gold produced worldwide. Industrial and investor demand for platinum in 1986 matched its output almost once for ounce and is expected to do so again this year.

While the fundamentals of platinum may seem an investor's dream, its price volatility and its frequent sale at a price below that of gold in recent years has turned many dreams of profit into nightmares.

In September, for instance, platinum soared to \$680 an ounce on expectations that South Africa, which produces about 80 percent of the metal, would curb exports in retaliation for the trade sanctions imposed by the United States and other countries.

Markets Closed

Canadian stock markets were closed Monday for a holiday.

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SPORTS

Come the Young Brazilians

International Herald Tribune LONDON — How good are you? How great? Compare your absolute best activity to the excellence of stars you have seen or your fathers have told you about. Unfair? It's the way we judge sportsmen.

A week ago, young Ajax Amsterdam players won the European Cup Winners' Cup and were damned with faint praise: O.K., boys, you won, but don't kid yourselves that the performance was fit to lace the boots of Ajax of the '70s.

This week Brazil brings a European tour. Brazilian apprentices really, on a searching trip to see if they are seeds for the 1990 World Cup.

Before a ball is kicked, they have been dismissed as frauds. These are not Pelé and Garrincha and Rivelino, not even Socrates and Zico and Falcao.

They are experiments in the making, novices put to the sword in England (May 19), Southern Ireland (May 23), Scotland (May 26), Israel (May 31), Finland (June 3) and Italy (June 7).

A shadow squad, a farce — so say experts who live by the pen or the mouth. Their carrying is premature. No one knows the quality of these new Brazilians.

Having helped sell out European soccer stadiums on the assumption that samba magic was on the way, some promoters suddenly feel vomited.

Whose fault is that? Any half-informed fan knows the best modern Brazilians are already in Europe, being flogged by their clubs on cup runs, championship and relegation decisions or so-called play-offs to squeeze more cash through the turnstiles.

There's a sting going on. It emanates from administrators, not players.

Last autumn, Pedro Lopes of the CBF, the Brazilian soccer federation, issued a bullish statement about his country's finding a new manager "with young ideas, who knows both Brazilian and international soccer."

The CBF would send this visionary to Europe with a national squad that would be active "right through to 1990, with country coming before club this time."

Toshi, CBF officials couldn't pick a manager, never mind a team. They dithered until March 9 before landing Carlos Alberto Silva as short-term manager of the side that scrambled to qualify for next year's Olympics.

Silva, formerly a player with Cruzeiro and Guarani, was the fourth man the CBF chased for the job. He admits he might be sacked before the South American championship at the end of June.

His players are not the ones he selected. Ten days before Tuesday's first match, the CBF assured the English FA: "We shall bring

our best team. We would not wish our image in Europe to be jeopardized by competing with a low-quality team. All the players who appeared in the last World Cup and are still playing will be at our disposal."

So much for Latin promise. Brazil's clubs, unable to prevent the Italians, Spanish and Portuguese from plundering their stars, refused to cooperate.

Rob Hughes, chairman of Flamengo and a member of the Brazilian congress, threatened legal action to withhold his goalkeeper, Ze Carlos, defender Jorginho and the bright new forward hope Beбето.

Sao Paulo FC only at the last moment released Silas and Müller, two quick-witted wingers we should enjoy.

However, Caraca, the São Paulo center-forward and tour captain, pulled out, mentally exhausted by agonizingly protracted negotiations over his transfer to Naples.

We were wrong to expect anything else. The leading players have had no break for two years. European clubs would not allow Brazilian stars to go on friendly international tours, and Brazil's own clubs surely have some rights of possession.

Of course we would have thrilled to see the real thing. Realistically, that was as likely as an encore by Socrates.

A 33-year-old doctor, rich beyond need, Socrates is going back to his calling — healing sick children. No one on this trip will have his extraordinary stilled physique or his soothing touch, but we are fools if we look for comparisons.

Now is the time to catch new Brazilians in embryo.

Remember how Josimar surprised us at the 1986 World Cup? He came from nowhere, a troubled 25-year-old in dispute with his club, Botafogo. He wore No. 13 because it was the last shirt available and played because two others dropped out.

Right back was a loose label for him. Josimar galloped forward, muscularly, intuitively, adventurously. He struck two breathtaking goals. And now Josimar is a veteran on the European squad.

How will he fare in the wet and the cold? How will he travel? Will the food, the grounds agree with him? Wembley has not manicured to grass-court tennis standards, but Brazilians will next perform on a bumpy, rutted rugby pitch in Dublin.

The tour, too, is uneven. Brazil's youngsters are sent wherever the financial guarantees. If we are balanced observers, we will look for any spark of intuition and encouragement.

Criticizing is so easy. At odds with most critics, I thought Ajax

sprinkled some style into the Cup Winners' Cup final against Lokomotiv Leipzig in Athens.

Ajax won by the only goal. But what a goal — what a message — what a triumph over a shamelessly negative side packed with internationals whose intention was to grind Ajax down.

The match-winner came through rare improvisation. Winger John Van 't Schip and fullback Sonny Slooy exchanged roles the way Dutchmen used to; Slooy surged up the right, and his cross was met by an elegant, swooping header from Marco van Basten.

One swallow doesn't make Ajax a reincarnation of the great team, particularly since Van Basten is moving to Italy. But we saw fluttering movements of attacking control that suggest Ajax is starting a transition from a dilled Dutch era.

You know why? In notes dating back 19 years, I have what could be the exact explanation of the Van 't Schip-Slooy-van Basten goal: "This is our way of football. There is no specific pattern — we use the whole field. If one man is marked on the wing, he goes back to make space for another."

The speaker? Johan Cruyff, the Ajax inspirator of a bygone era. Cruyff, in charge of Ajax but denied the title of manager because he hasn't passed a coaching exam, is reversing his whole country's negative trend. His team attacks, takes risks.

In Athens, Cruyff was the thin man ever chatting between puffs of cigarette smoke. When he described his philosophy two decades ago, he was an upwardly mobile player, one who needed time to prove himself a great one.

Time, and a little understanding, are now the rights of young Brazilians and young Dutchmen. Even their fathers might then applaud.



RUNNING BUDDIES: Boston right fielder Dwight Evans was a stride-for-stride backup for Ellis Burks on Willie Wilson's first-inning drive to right-center Monday in Kansas City.

VANTAGE POINT/ Scott Ostler

Johnson Scores (Assist: Bird)

Los Angeles Times Service LOS ANGELES — The manager of Ervin (Magic) Johnson's most-valuable-player award campaign was on the phone from Boston. Naturally, he was proud and happy that his man had won. "It wasn't even close," he bragged.

The campaign manager was Larry Bird. So respected is Bird's word around the National Basketball Association that when he mentioned in midseason that Johnson was clearly the MVP, people started to take notice.

It wasn't a big deal, simply a sincere mention or two by Bird of the incredible job Johnson was doing with the Los Angeles Lakers. Johnson would have won anyway, but having Bird in his corner made it a landslide, made it sort of official.

As usual, it was a case of Bird and Johnson double-teaming the NBA. They have been doing it for almost a decade. They've been the closest of rivals for the last nine seasons, including college.

Bird, the MVP award the last three seasons, but he knew he wouldn't get this one. "Me to Magic, there's no comparison," he said. "He started the season well and never let up. I got off to a slow start, had all the injuries. I couldn't put together two or three months of really great basketball."

"Michael Jordan is a hell of a basketball player, he scored a lot of points, but I believe in the total game. When you look at the total game, nobody's close to Magic." Case closed, because there is no higher authority than Bird.

So for Johnson, there was nothing left to do on Monday but enjoy. Laker management threw an elegant press conference-luncheon in the Forum Club, where there was to be a "surprise" announcement. Atop the buffet table was an ice sculpture spelling out "MAGIC."

Bird must have tipped off the artist. Johnson was gracious and upbeat. Some guys accept awards with such



Magic Johnson "When you look at the total game, nobody's close."

a lack of joy and enthusiasm, they might as well be accepting a speeding ticket. Johnson accepted the way he plays the game. He enjoyed it. He seemed happy and proud.

He dedicated the award to his father, and put in a nice word for the little people behind the scenes — notably his campaign manager, "I should thank Larry Bird, for having a slightly off season," he joked. Johnson also said, "I don't know what it took to win the award."

Nobody does know, exactly, what constitutes an MVP. Speaking of

past seasons, Johnson said. "I think I didn't really deserve to win. I guess this year it was my turn."

I guess so. All Johnson has done this year is become a better player than he was his first seven seasons. In retrospect, what he did seems simple. He was asked to score more points, so he did. He was asked to assume complete team leadership, so he did.

That he did both so easily is what makes him the MVP. Laker Coach Pat Riley was standing in the wings as Johnson received his trophy. "His willingness to score made everyone else better," Riley said quietly. Simple — as easy as MVP.

Also looking on was Mitch Kupchak, the rookie team executive who once played against and with Johnson. "What amazes me most about Magic is he handles it real well, his position, his stature," Kupchak said. "He is a genuinely nice guy to people. At airports, he signs autographs, talks to kids."

"He has a great opportunity to be aloof and arrogant, and he isn't. He has gotten better about that over the years, and normally the opposite is the way it happens. The more famous a guy gets, the more unapproachable he is."

Kupchak remembers the first time he saw Johnson, playing in a high school all-star game. "I didn't know what to make of him," Kupchak says. "He was just a big, talented kid. In the dunk contest, he did a 360. As far as him being a guard in the NBA, I couldn't picture that at all."

That is because Johnson's style of play, general attitude and particular position — he's a 6-foot-9 (2.05-meter) power point guard — didn't exist until he invented them. Maybe it has taken everyone a decade to catch on.

There is a tendency to get carried with what a swell guy he is. We should remember that the MVP isn't a citizenship award, and also that it is not something that's likely to intimidate Laker opponents through the rest of the playoffs.

Johnson still has something to prove, a personal title to back up, another ring to win. The MVP, it's simply a nice trophy. It means nothing, and it means a lot.

Struggling, Error-Prone Mets Make Lowly Padres Look Good

Compiled by Our Staff From Dispatches NEW YORK — Seeking to get well against the worst team in baseball, the struggling Mets looked like anything but world champions Monday night, committing four errors, allowing five stolen bases and bowing, 7-5, to the San Diego Padres. It was New York's 18th loss in the last 28 games.

"Our defense is burning," said Manager Dave Johnson, whose club is only one game ahead of last-place Philadelphia in the National League East. "But we are not pitching up to capabilities. That's our biggest problem."

Losers Ron Darling gave up four runs and six hits in five innings as his earned-run average climbed to 5.57. "I'm not sure what Darling's problems are," Johnson said. "He was sloppy. We were sloppy."

Catcher Barry Lyons made a wild pickoff throw in the first inning. John Kruk's single slipped past left fielder Kevin McReynolds in the third as a run scored and shortstop Rafael Santana's second error of the night helped the Padres increase their lead to 5-0 in the sixth.

"Santana usually makes the plays," noted Johnson.

New York and San Diego made a seven-player deal during the off-season and some of the principal players played prominent roles Monday night. The Padres' Stan Jefferson was 3-for-5 with three stolen bases and Kevin Mitchell was 2-for-4 with a run batted in, while the Mets' McReynolds went 0-for-4.

"For the Mets, the deal is for now and for the next two or three years. They got an established player," Jefferson said. "The Padres are looking for the future. In the long run, with the young guys we have, we'll be right."

Errors by Jefferson and Mitchell each cost the Padres two runs. Dave Dravecky had a shutout until center fielder Jefferson's two-out error in the sixth preceded Darryl Strawberry's 10th home run of the year. And third baseman Mitchell booted a grounder with two out in the ninth as two runs scored.

New York had a chance to win, putting runners at first and third after Mitchell's error. But with Strawberry on deck, McReynolds popped up on a 3-0 pitch from Lance McCullers. "I'd do it again," Johnson said about giving McReynolds the green light. "But he wasn't very selective. He went after a bad pitch."

Expos 7, Giants 2: In Montreal, Neal Heaton pitched a six-hitter the Expos' first complete game of the season and helped his own cause with a two-run single to cap a four-run third.

Phillies 5, Dodgers 3: In Philadelphia, Bruce Ruffin hit a key two-run double and pitched 7 2/3 strong innings to pace the Phillies. Philadelphia chased starter Rick Honeycutt with five unearned sixth-inning runs. Mike Schmidt led off with a single and went to second when third baseman Bill Madlock fielded Glenn Wilson's grounder and threw high to second baseman Steve Sax. One out later, Chris James singled in Schmidt for his first RBI of the year. Luis Aguayo hit into a forceout at third before Ruffin doubled to right to score James and Aguayo for a 3-1 lead. Honeycutt then walked Milt Thompson before giving up a two-run triple to Von Hayes.

Astros 4, Pirates 1: In Pittsburgh, Dickie Thon's two-run homer helped Mike Scott, who pitched a three-hitter, beat the Pirates for only the third time in 11 career decisions.

Orioles 6, Mariners 0: In the American League, in Seattle, Mike Boddicker pitched a three-hitter and Terry Kennedy and Eddie Murray homered to power Baltimore past the Mariners. The Orioles have hit 32 home runs (eight by Murray) in their last 11 games, breaking the major-league record of 30 for such a span by the 1947 New York Giants.

Boddicker gave up singles to

John Moses, Scott Bradley and Harold Reynolds, and allowed just two runners past first base. Said he of his teammates' home-run spree:

BASEBALL ROUNDUP

"They're making it fun. A pitcher can just sit back and watch."

Yankees 2, Athletics 1: In Oakland, California, Dave Winfield's two homers were enough to give Tommy John the 267th victory of his career. John, who will turn 44 on Friday, yielded six hits, struck out two and walked one in six innings. New York won for the seventh time in nine games.

Blue Jays 12, Angels 0: In Anaheim, California, home runs by Ernie Whitt and Lloyd Moseby hacked the two-hit pitching of Jim Clancy, who won his fifth straight decision. Clancy (6-2) lost his no-hit bid when Mark Lemore singled up the middle with one out in

the sixth. Right-hander Clancy struck out nine and walked one in registering his first shutout and second complete game of the year.

Tigers 6, Rangers 3: In Arlington, Texas, Detroit won its sixth straight game on a 16-hit attack that included a two-run homer by Pat Sheridan, who had three hits. Rookie Jeff Robinson, a late replacement for scheduled starter Dan Petry, went 5 1/2 innings to earn his second victory. Petry was scratched after complaining of fever and chills when he arrived at the stadium.

Royals 4, Red Sox 2: In Kansas City, Missouri, Danny Tartabull hit his second game-winning home run in two days, a two-run shot in the sixth, as the Royals rallied to their eighth consecutive victory at home. The start of the game was delayed 67 minutes by rain, and a bank of lights went out in the bottom of seventh, forcing a 28-minute stoppage. (AP, UPI)

SCOREBOARD

Baseball

Monday's Major League Line Scores

Table with columns for American League and National League scores, including teams like Detroit, Texas, Boston, and their respective scores and innings.

Tennis Leaders

Table listing tennis players and their earnings, including names like Mats Wilander, Ivan Lendl, and Andre Agassi.

Major League Standings

Table showing American League and National League standings for both East and West divisions, including teams like New York, Toronto, and Los Angeles.

Basketball

NBA Most Valuable Players

Table listing NBA Most Valuable Players from 1957 to 1979, including names like Ervin Johnson, Larry Bird, and Magic Johnson.



Josimar, right, thundering a goal-bound shot past Norman Whiteside of Northern Ireland during the 1986 World Cup.

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Dead Mustangs: Officials at SMU Sniff at T-Shirts The Associated Press DALLAS — Many officials at Southern Methodist University are unamused by the on-campus circulation of T-shirts that make light of the school's play-for-pay football scandal.

JB BLANCPAIN Since 1735 the oldest name in swiss watchmaking. But don't expect to find a quartz in a Blancpain watch. You won't. And you never will.

OBSERVER

Unreachable: The Movie

By Russell Baker
NEW YORK — Dr. Harold J. Liverworth, the modernist specialist, can no longer be reached by telephone. "Being unreachable by telephone is one of the most modern things you can do right now," he explains in his new book, "No Moss on Me," soon to be a major motion picture.

to do: Dr. Liverworth's book will become a major motion picture before Dr. Liverworth completes the book.
It sounded as if the great modernist had discovered a thrilling new concept of modern entertainment: the major motion picture based on the best-selling book that never gets written.

Murray Schisgal's Thickening Plots

By David Kaufman
NEW YORK — "I have no intention of ever writing a play again," Murray Schisgal wrote in the introduction to his 1983 anthology, "Luv and Other Plays." But Thursday, "Road Show," his newest play, opens at the Circle Repertory Company, and this fall his three new one-act plays will be premiered here.

and pontificates, and only occasionally hovering over the tape recorder positioned on the table in the center of the room.
In many candid moments, he expresses his unwillingness to analyze his motives for writing plays. He even admits that he is suspicious about discussing his work when he's in the midst of it, which is apparently all the time.



Schisgal: "I'm still addicted to writing plays."

painter goes into another period, you know. Like the economy of expression in a later artist. Yet within that economy, I'm finding a tremendous emotional range.
"Dustin Hoffman has been a 'soulmate' and colleague of Schisgal's ever since they first worked together in regional theater in Stockbridge, Massachusetts, in 1965. Hoffman invokes a purely Schisgalian train of thought to describe how the playwright changed over the years.

PEOPLE

Oliver, Nearing 80, Will Drop Film Acting

Lawrence Olivier has decided to retire from movie acting. The actor, who will be 80 on Friday, has limited his film work for years and last appeared on the screen in the 1985 movie "Wild Geese II," preferring to work on television in shows like "The Ebony Tower" and "Lost Empires." Film footage of him can be seen nightly in the London stage musical "Time." Olivier will continue to do prose and verse readings for radio and TV and filmed performances for television. On Friday, Olivier will be heard on BBC radio in Peter Barnes's radio play, "No End To Dreaming."

Concetta Wallace says her ex-husband, the former governor of Alabama, George C. Wallace, is trying to leave her out of his life history, and she feels people should remember how she shielded him when he was shot 15 years ago. "He always meant to deny me my God-given, rightful place in history," Mrs. Wallace said. "He wants to pretend he was never married to anyone but Lawrence." Wallace's first wife, Lurleen, served as governor of Alabama from 1967 until the death of cancer in 1968. Earlier this year, Wallace and his third wife, Lisa, divorced. Concetta Wallace, who divorced Wallace in 1978, is being treated for pleuritis as an indigent patient at a Birmingham hospital.

ANNOUNCEMENTS
SQUASH & JAZZ
IN THE HEART OF LA DEFENSE SIX SQUASH COURTS
A restaurant, a pizzeria, and a different jazz band each Friday night.

PERSONALS
BIG BLUE
JAMES DEWEY,
Singer/producer.
SHANE HIPS, I'd like you already. Keep the fire burning. 103.

PERSONALS
EMILY ANSON RELOCATION
Real estate services.
REAL ESTATE FOR SALE
COTE D'AZUR, VILLAGE, Exceptional modern property.

REAL ESTATE FOR SALE
PARIS & SUBURBS
FRANCE
PARIS 16th, RUE BATHOILLARD,
Owner sells 220 sqm. apartment.

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